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{ REPORT
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DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGEN- CIES APPROPRIATIONS BILL, 1998

JULY 17, 1997.—Ordered to be printed

Mr. BOND, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany S. 1034]

The Committee on Appropriations reports the bill (S. 1034) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amount of new budget (obligational) authority

Amount of bill as reported to Senate	\$90,901,535,000
Amount of appropriations to date, 1997	82,063,403,442
Amount of budget estimates, 1998	90,972,438,000
Under estimates for 1998	70,903,000
Above appropriations for 1997	8,917,820,560

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INTRODUCTION

The Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies appropriations bill for fiscal year 1998.

As recommended by the Committee, this bill attempts to provide a fair and balanced approach to the many competing programs and activities under the VA-HUD subcommittee's jurisdiction, within the constraints imposed by a very tight budget allocation, including constraints dictated by the budget agreement designed to result in a unified Federal budget in fiscal year 2002.

The Committee recommendation provides \$18,766,266,000 in discretionary funding for the Department of Veterans Affairs, including an increase in funding for VA medical care, research, and the State home program. The Committee's recommendation for VA represents an increase of \$92,920,000 above the President's request. Despite a proposed reduction of almost \$300,000,000 in VA discretionary spending in the budget agreement, VA medical programs were afforded the highest priority in order to ensure quality care to all veterans currently being served by the VA and to ensure a smooth transition to the new organizational structure and its emphasis on managed care.

For the Department of Housing and Urban Development, the Committee's recommendation totals \$25,505,255,000, and continues policy and programmatic reforms enacted last year. The Committee strongly supports enactment of comprehensive reform legislation under the jurisdiction of the authorizing committee, including an overhaul of the public and assisted housing programs as well as other program, management, and fiscal reforms designed to address the many and substantial program and administrative deficiencies facing the Department. This appropriations bill, however, contains temporary extensions of provisions needed to halt the ever-increasing cost of housing subsidy commitments.

In addition, this appropriations bill includes the multifamily housing restructuring proposals now under consideration by the authorizing committee as part of the reconciliation process. The excessive section 8 subsidies necessary to sustain this inventory of nearly 1 million units of low-income housing cannot be continued within the constraints of a balanced budget plan for discretionary spending. Unless Congress acts to provide a process to deal with the excessive debt of this housing inventory, there could be massive defaults and substantial resident displacement.

The Committee-reported bill also restores funding for the Community Development Block Grants Program [CDBG] at the full current fiscal year 1997 funding level of \$4,600,000,000, and restores full funding to elderly and disabled housing (\$365,000,000 over the President's request). In addition, the HOME program is also maintained at its current \$1,400,000,000 level.

For the Environmental Protection Agency, the Committee recommendation totals \$6,975,920,000, an increase of \$176,527,000 over the current fiscal year, with increases in such areas as State revolving funds. While the Committee's recommendation represents a significant increase over the enacted level for EPA's operating programs, the President's full request was not possible owing to the constraints imposed by the 602(b) allocation and the necessity of adequately funding veterans medical care. In addition, overriding policy concerns coupled with budget constraints prevented the Committee from recommending an increase for Superfund.

The Committee's recommendation does not include any so-called riders for EPA in order to minimize the potential for controversy or extended disputes.

The bill provides the President's full request of \$788,588,000 for the Federal Emergency Management Agency. The Committee continues to have grave concerns with the skyrocketing costs of FEMA's disaster relief program—for which more than \$10,000,000,000 has been appropriated in fiscal years 1995–97—as well as FEMA's stewardship of this multibillion-dollar program. Therefore, a limitation on spending has been included in the "Disaster relief" account, consistent with FEMA's recent legislative proposal, as a first step to reforming the disaster relief program.

The Committee recommendation for National Aeronautics and Space Administration totals \$13,500,000,000, the same as the President's request. The Committee recommends full funding for the Mission to Planet Earth Program. For the National Science Foundation, the Committee recommends \$3,377,000,000. While a modest increase of \$107,000,000 over the 1997 level, it does reflect the Committee's commitment to support of high-priority basic research and technology development activities, notwithstanding our growing budgetary constraints.

REPROGRAMMING AND INITIATION OF NEW PROGRAMS

The Committee continues to have a particular interest in being informed of reprogrammings which, although they may not change either the total amount available in an account or any of the purposes for which the appropriation is legally available, represent a significant departure from budget plans presented to the Committee in an agency's budget justifications.

Consequently, the Committee directs the Departments of Veterans Affairs and Housing and Urban Development, and the agencies funded through this bill, to notify the chairman of the Committee prior to each reprogramming of funds in excess of \$250,000 between programs, activities, or elements unless an alternate amount for the agency or department in question is specified elsewhere in this report. The Committee desires to be notified of reprogramming actions which involve less than the above-mentioned amounts if such actions would have the effect of changing an agency's funding requirements in future years or if programs or projects specifically cited in the Committee's reports are affected. Finally, the Committee wishes to be consulted regarding reorganizations of offices, programs, and activities prior to the planned implementation of such reorganizations.

Further, the Committee expects each department and agency within the jurisdiction of the VA-HUD Appropriations Subcommittee to meet fully the requirements, including all consultations and reporting requirements, of the Government Performance and Results Act. This process is critical to a successful dialog between the Congress and the executive branch on the funding and implementation of all Federal agencies, programs, and activities.

The Committee also expects that the Departments of Veterans Affairs and Housing and Urban Development, as well as the Corporation for National and Community Service, the Environmental Protection Agency, the Federal Emergency Management Agency, the National Aeronautics and Space Administration, the National Science Foundation, and the Consumer Product Safety Commission, will submit operating plans, signed by the respective secretary, administrator, or agency head, for the Committee's approval within 30 days of the bill's enactment. Other agencies within the bill should continue to submit them consistent with prior year policy.

GOVERNMENT PERFORMANCE AND RESULTS ACT

The Committee urges each agency and department to comply with both the spirit and the letter of the law of the Government Performance and Results Act [Results Act]. The Results Act is intended to rationalize the agency budget process by requiring each agency and department to develop a strategic plan, including a comprehensive mission statement based on the agency's statutory authority, a set of outcome-related strategic goals, and a description on how the agency will accomplish these goals. Nevertheless, certain deadlines of the Results Act are rapidly approaching. For example, each Federal agency must develop a strategic plan that covers at least 5 years and must submit the plan to Congress and the Office of Management and Budget no later than September 30, 1997.

The Committee remains concerned over the status of the strategic plans of most of the agencies covered by the VA-HUD Appropriations Subcommittee. While NASA has made real progress in developing its strategic plan, most of the other agencies have had mixed success. The Committee advises that it takes the requirements of the Results Act very seriously, including the requirement to consult with Congress, and expects each agency and department fully to meet all requirements of the Results Act.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

Appropriations, 1997	\$40,086,493,000
Budget estimate, 1998	40,216,150,000
Committee recommendation	40,309,070,000

GENERAL DESCRIPTION

The Veterans Administration was established as an independent agency by Executive Order 5398 of July 21, 1930, in accordance with the Act of July 3, 1930 (46 Stat. 1016). This act authorized the President to consolidate and coordinate Federal agencies especially created for or concerned with the administration of laws providing benefits to veterans, including the Veterans' Bureau, the Bureau of Pensions, and the National Home for Disabled Volunteer Soldiers. On March 15, 1989, VA was elevated to Cabinet-level status as the Department of Veterans Affairs.

The VA's mission is to serve America's veterans and their families as their principal advocate in ensuring that they receive the care, support, and recognition they have earned in service to the Nation. The VA's operating units include the Veterans Health Administration, Veterans Benefits Administration, National Cemetery System, and staff offices.

The Veterans Health Administration develops, maintains, and operates a national health care delivery system for eligible veterans; carries out a program of education and training of health care personnel; carries out a program of medical research and development; and furnishes health services to members of the Armed Forces during periods of war or national emergency. A system of 173 medical centers, 448 outpatient clinics, 135 nursing homes, and 40 domiciliaries is maintained to meet the VA's medical mission.

The Veterans Benefits Administration provides an integrated program of nonmedical veteran benefits. This Administration administers a broad range of benefits to veterans and other eligible beneficiaries through 58 regional offices and the records processing center in St. Louis, MO. The benefits provided include: compensation for service-connected disabilities; pensions for wartime, needy, and totally disabled veterans; vocational rehabilitation assistance; educational and training assistance; home buying assistance; estate protection services for veterans under legal disability; information and assistance through personalized contacts; and six life insurance programs.

The National Cemetery System provides for the interment in any national cemetery with available grave space the remains of eligible deceased servicepersons and discharged veterans; permanently maintains these graves; marks graves of eligible persons in national and private cemeteries; and administers the grant program for aid to States in establishing, expanding, or improving State vet-

erans' cemeteries. The National Cemetery System includes 149 cemeterial installations and activities.

Other VA offices, including the general counsel, inspector general, Boards of Contract Appeals and Veterans Appeals, and the general administration, support the Secretary, Deputy Secretary, Under Secretary for Health, Under Secretary for Benefits, and the Director of the National Cemetery System.

COMMITTEE RECOMMENDATION

The Committee recommends \$40,309,070,000 for the Department of Veterans Affairs, including \$21,542,804,000 in mandatory spending and \$18,766,266,000 in discretionary spending. The amount provided for discretionary activities represents an increase of \$92,926,000 above the budget request.

The Committee has rejected the budget agreement recommendation to reduce VA discretionary funding by \$273,000,000 below the President's fiscal year 1998 request. Such a reduction would result in fewer eligible veterans receiving comprehensive medical care, reductions to basic maintenance and repair of medical facilities, and additional delays in the processing of benefits claims. The Committee believes the outcome of such budget reductions would be completely unacceptable.

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1997	\$19,599,259,000
Budget estimate, 1998	19,932,997,000
Committee recommendation	19,932,997,000

PROGRAM DESCRIPTION

Compensation is payable to living veterans who have suffered impairment of earning power from service-connected disabilities. The amount of compensation is based upon the impact of disabilities on earning capacity. Death compensation or dependency and indemnity compensation is payable to the surviving spouses and dependents of veterans whose deaths occur while on active duty or result from service-connected disabilities. A clothing allowance may also be provided for service-connected veterans who use a prosthetic or orthopedic device.

Pensions are an income security benefit payable to needy wartime veterans who are precluded from gainful employment due to non-service-connected disabilities which render them permanently and totally disabled. Under the Omnibus Budget Reconciliation Act of 1990, veterans 65 years of age or older are no longer considered permanently and totally disabled by law and are thus subject to a medical evaluation. Death pensions are payable to needy surviving spouses and children of deceased wartime veterans. The rate payable for both disability and death pensions is determined on the basis of the annual income of the veteran or his survivors.

This account also funds burial benefits and miscellaneous assistance.

COMMITTEE RECOMMENDATION

The Committee has provided \$19,932,997,000 for compensation and pensions. This is an increase of \$333,738,000 over the current budget and the same as the budget estimate.

The estimated caseload and cost by program follows:

COMPENSATION AND PENSIONS

	1997	1998	Difference
Caseload:			
Compensation:			
Veterans	2,256,672	2,278,900	+ 22,228
Survivors	305,188	304,900	- 288
Children		2,000	+ 2,000
(Clothing allowance)	(74,540)	(74,300)	(- 240)
Pensions:			
Veterans	409,309	407,600	- 1,709
Survivors	319,234	303,500	- 15,734
Minimum income for widows (nonadd)	(800)	(793)	(- 7)
Vocational training (nonadd)	(110)	(85)	(- 25)
Burial allowances	97,800	97,700	- 100
Funds:			
Compensation:			
Veterans	\$13,016,590,000	\$13,259,558,000	+ \$242,968,000
Survivors	3,240,100,000	3,273,892,000	+ 33,792,000
Children		21,100,000	+ 21,100,000
Clothing allowance	38,760,000	38,471,000	- 289,000
Payment to GOE (Public Laws 101-508 and 102-568)	2,198,000	2,083,000	- 115,000
Medical exams pilot program	7,574,000	15,905,000	+ 8,331,000
Pensions:			
Veterans	2,354,276,000	2,401,380,000	+ 47,104,000
Survivors	788,380,000	774,453,000	- 13,927,000
Minimum income for widows	1,389,000	5,657,000	+ 4,268,000
Vocational training	300,000	236,000	- 64,000
Payment to GOE (Public Laws 101-508, 102- 568, and 103-446)	10,078,000	9,201,000	- 877,000
Payment to Medical Care (Public Laws 101- 508 and 102-568)	14,241,000	15,096,000	+ 855,000
Payment to Medical Facilities	2,254,000	2,322,000	+ 68,000
Burial benefits	115,436,000	117,534,000	+ 2,098,000
Other assistance	1,764,000	1,766,000	+ 2,000
Contingency	15,228,000		- 15,228,000
Unobligated balance and transfers	- 9,309,000	- 5,657,000	+ 3,652,000
Total appropriation	19,599,259,000	19,932,997,000	+ 333,738,000

The appropriation includes \$26,380,000 in payments to the "General operating expenses" and "Medical care" accounts for expenses related to implementing provisions of the Omnibus Budget Reconciliation Act of 1990, the Veterans' Benefits Act of 1992, and the Veterans' Benefits Improvements Act of 1994. The amount provided includes funds for a proposed cost-of-living increase of 2.7 percent for pension recipients.

Also, the bill includes language permitting this appropriation to reimburse such sums as may be necessary, estimated at \$2,322,000, to the medical facilities revolving fund to help defray the operating expenses of individual medical facilities for nursing home care provided to pensioners as authorized by the Veterans' Benefits Act of 1992.

The Committee has not included language proposed by the administration that would provide indefinite 1998 supplemental appropriations for compensation and pension payments. The Committee has also rejected proposed bill language to split this account into three separate appropriation accounts.

READJUSTMENT BENEFITS

Appropriations, 1997	\$1,377,000,000
Budget estimate, 1998	1,366,000,000
Committee recommendation	1,366,000,000

PROGRAM DESCRIPTION

The readjustment benefits appropriation finances the education and training of veterans and servicepersons whose initial entry on active duty took place on or after July 1, 1985. These benefits are included in the All-Volunteer Force Educational Assistance Program (Montgomery GI bill) authorized under 38 U.S.C. 30. Eligibility to receive this assistance began in 1987. Basic benefits are funded through appropriations made to the readjustment benefits appropriation and transfers from the Department of Defense. Supplemental benefits are also provided to certain veterans and this funding is available from transfers from the Department of Defense. This account also finances vocational rehabilitation, specially adapted housing grants, automobile grants with the associated approved adaptive equipment for certain disabled veterans, and finances educational assistance allowances for eligible dependents of those veterans who died from service-connected causes or have a total permanent service-connected disability as well as dependents of servicepersons who were captured or missing in action.

COMMITTEE RECOMMENDATION

The Committee has recommended the budget estimate of \$1,366,000,000 for readjustment benefits. The amount recommended is a decrease of \$11,000,000 below the enacted level.

The estimated caseload and cost for this account follows:

READJUSTMENT BENEFITS

	1997	1998	Difference
Number of trainees:			
Education and training: Dependents	43,952	47,500	+ 3,548
All-Volunteer Force educational assistance:			
Veterans and servicepersons	299,560	291,190	- 8,370
Reservists	77,350	80,300	+ 2,950
Vocational rehabilitation	56,265	55,140	- 1,125

READJUSTMENT BENEFITS—Continued

	1997	1998	Difference
Total	477,127	474,130	– 2,997
Funds:			
Education and training: Dependents	\$108,900,000	\$117,539,000	+ \$8,639,000
All-Volunteer Force educational assistance:			
Veterans and servicepersons	742,806,000	769,093,000	+ 26,287,000
Reservists	97,800,000	99,119,000	+ 1,319,000
Vocational rehabilitation	416,400,000	419,175,000	+ 2,775,000
Housing grants	16,100,000	16,100,000	
Automobiles and other conveyances	4,700,000	4,700,000	
Adaptive equipment	22,900,000	23,100,000	+ 200,000
Work-study	29,900,000	31,493,000	+ 1,593,000
Payment to States	13,000,000	13,000,000	
Jobs training (Public Law 102–484)			
Unobligated balance and other adjustments	– 75,506,000	– 127,319,000	– 51,813,000
Total appropriation	1,377,000,000	1,366,000,000	– 11,000,000

VETERANS INSURANCE AND INDEMNITIES

Appropriations, 1997	\$38,970,000
Budget estimate, 1998	51,360,000
Committee recommendation	51,360,000

PROGRAM DESCRIPTION

The veterans insurance and indemnities appropriation is made up of the former appropriations for military and naval insurance, applicable to World War I veterans; National Service Life Insurance, applicable to certain World War II veterans; Servicemen's indemnities, applicable to Korean conflict veterans; and veterans mortgage life insurance to individuals who have received a grant for specially adapted housing.

COMMITTEE RECOMMENDATION

The Committee has provided \$51,360,000 for veterans insurance and indemnities, as requested by the administration. This is an increase of \$12,390,000 above the current budget. The Department estimates there will be 4,946,144 policies in force in fiscal year 1998 with a total value of \$511,597,000.

VETERANS HOUSING BENEFIT PROGRAM FUND

(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 1997	\$364,640,000	\$139,116,000
Budget estimate, 1998	192,447,000	160,437,000
Committee recommendation	192,447,000	160,437,000

PROGRAM DESCRIPTION

This appropriation provides for all costs, with the exception of the Native American Veteran Housing Loan Program, of VA's direct and guaranteed loans, as well as the administrative expenses to carry out the direct and guaranteed loans programs, which may be transferred to and merged with the general operating expenses appropriation.

The purpose of the VA Home Loan Guaranty Program is to facilitate the extension of mortgage credit on favorable terms by private lenders to eligible veterans. This account represents a new fund established this year to consolidate the guaranty and indemnity fund, loan guaranty fund, and direct loan fund. This consolidation merges 11 accounts into 4 accounts under the new veterans housing benefit program fund [VHBPF] to achieve administrative efficiencies. All appropriations and income formerly received from the old accounts will be deposited in this new fund. No program or scoring changes result as an effect of this presentation.

COMMITTEE RECOMMENDATION

The Committee recommends such sums as may be necessary for funding subsidy payments, estimated to total \$192,447,000, and \$160,437,000 for administrative expenses. The administrative expenses may be transferred to the "General operating expenses" account. Bill language authorizes not to exceed \$300,000 in gross obligations for direct loans for specially adapted housing loans.

EDUCATION LOAN FUND PROGRAM
(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 1997	\$1,000	\$195,000
Budget estimate, 1998	1,000	200,000
Committee recommendation	1,000	200,000

PROGRAM DESCRIPTION

This appropriation covers the cost of direct loans for eligible dependents and, in addition, it includes administrative expenses necessary to carry out the direct loan program. The administrative funds may be transferred to and merged with the appropriation for the general operating expenses to cover the common overhead expenses.

COMMITTEE RECOMMENDATION

The bill includes \$1,000 for program costs and \$200,000 for administrative expenses. The administrative expenses may be transferred to and merged with the "General operating expenses" account. Bill language is included limiting program direct loans to \$3,000.

VOCATIONAL REHABILITATION LOAN PROGRAM
(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 1997	\$49,000	\$377,000
Budget estimate, 1998	44,000	388,000
Committee recommendation	44,000	388,000

PROGRAM DESCRIPTION

This appropriation covers the cost of direct loans for vocational rehabilitation of eligible veterans and, in addition, it includes administrative expenses necessary to carry out the direct loan program. Loans of up to \$815.42 (based on indexed chapter 31 subsistence allowance rate) are available to service-connected disabled veterans enrolled in vocational rehabilitation programs as provided under 38 U.S.C. chapter 31 when the veteran is temporarily in need of additional assistance. Repayment is made in 10 monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay.

COMMITTEE RECOMMENDATION

The bill includes the requested \$44,000 for program costs and \$388,000 for administrative expenses for the vocational Rehabilitation Loan Program. The administrative expenses may be transferred to and merged with the "General operating expenses" account. Bill language is included limiting program direct loans to \$2,278,000. It is estimated that VA will make 4,952 loans in fiscal year 1998, with an average amount of \$460.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM
(INCLUDING TRANSFER OF FUNDS)

	<i>Administrative expenses</i>
Appropriations, 1997 ¹	\$205,000
Budget estimate, 1998 ¹	515,000
Committee recommendation	515,000

¹ Subsidy amounts necessary to support this program were appropriated in fiscal year 1993.

PROGRAM DESCRIPTION

This program will test the feasibility of enabling VA to make direct home loans to native American veterans who live on U.S. trust lands.

COMMITTEE RECOMMENDATION

The bill includes the budget estimate of \$515,000 for administrative expenses associated with this program in fiscal year 1998. These funds may be transferred to the "General operating expenses" account.

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

Appropriations, 1997	\$17,013,447,000
Budget estimate, 1998	16,958,846,000
Committee recommendation	17,026,846,000

PROGRAM DESCRIPTION

The Department of Veterans Affairs [VA] operates the largest Federal medical care delivery system in the country, with 173 hospitals, 40 domiciliaries, 135 nursing homes, and 448 outpatient clinics which includes independent, satellite, community-based, and rural outreach clinics.

This appropriation provides for medical care and treatment of eligible beneficiaries in VA hospitals, nursing homes, domiciliaries, and outpatient clinic facilities; contract hospitals; State home facilities on a grant basis; contract community nursing homes; and through the hometown outpatient program, on a fee basis. Hospital and outpatient care also are provided for certain dependents and survivors of veterans under the Civilian Health and Medical Program of the VA [CHAMPVA]. The medical care appropriation also provides for training of medical residents and interns and other professional paramedical and administrative personnel in health science fields to support the Department's and the Nation's health manpower demands.

COMMITTEE RECOMMENDATION

The Committee recommends \$17,026,846,000 for VA medical care, an increase of \$68,000,000 over the budget request. In addition, the Committee recommends bill language, as proposed by the administration, authorizing VA to retain third-party collections estimated to total \$604,000,000. Therefore, the Committee's recommendation represents total discretionary resources for medical care of \$17,630,846,000, an increase of \$617,399,000 over the current fiscal year.

Beginning in fiscal year 1998 VA will have authority to retain collections from third-party payers and copayments from certain non-service-connected veterans. The Committee anticipates that VA will take all appropriate and necessary steps to ensure collections meet or exceed targets, and that incentives are provided to medical facilities to effectuate this goal. The Committee notes that the estimated collections are a critical component of VA's fiscal year 1998 medical care budget.

The Committee commends VHA for the aggressive steps it has begun to take to improve the quality and cost effectiveness of VA health care services. The administration's fiscal year 1998 budget proposal is predicated on achieving increased efficiencies and improvements, with an ambitious 5-year goal of achieving a 30-percent decrease in the cost of care on a per-patient basis, a 20-percent increase in the numbers of veterans served, and a 10-percent increase in revenues from nonappropriated sources. The Committee supports these goals and expects the Department will continue to implement all appropriate measures to improve the quality of care

while maximizing the use of available resources through such initiatives as shifting care to ambulatory settings wherever appropriate; national contracts for purchasing of supplies, pharmaceuticals, and nursing home care; and merging the management of closely located facilities.

The Committee remains highly supportive of VHA's restructuring efforts, including the implementation of the veterans integrated service networks [VISN's] and the new allocation methodology, veterans equitable resource allocation [VERA]. While minor adjustments may be needed in the future, VERA is a significant improvement over previous resource allocation schemes. The Committee opposes efforts to thwart this new, more equitable system.

The Committee notes that the delegation of decisionmaking authority to the networks requires increased efforts on the part of headquarters to ensure adequate guidance and monitoring of VISN activities so that systemwide goals for quality and accessibility of care are met and the highest standards upheld in all facilities. According to the General Accounting Office, "The challenge is to ensure that the networks have a common understanding of VA-wide goals and legislative requirements while permitting them flexibility in how to achieve the goals. The challenge in monitoring network performance is to have reliable, appropriate, and timely indicators to ensure that problems are identified and corrected." The Committee is concerned that current levels of headquarters oversight may be inadequate, and directs VHA to report within 60 days of enactment of this act on its plans for improving monitoring and guidance of the networks, and respond to the issues raised by the General Accounting Office on this matter.

The Committee is concerned that VHA has yet to develop a nationwide plan for community-based outpatient clinics [CBOC's] to ensure equitable access to medical care for veterans nationwide. While the Committee supports the concept of CBOC's to facilitate the transition of VA to a more cost-effective, customer-focused, and outpatient-based health care system, concerns remain that VHA has not developed a national strategy including the number of additional CBOC's which may be needed to meet these goals and ensure equity of access, and the appropriate timeframe in which to do so. In addition, there are concerns as to whether VA is planning effectively for new CBOC's and ensuring their efficient and effective operation once established. The General Accounting Office has a review underway regarding these issues. The Committee directs VHA to provide a report to the Committee by February 15, 1998, to address the need for a national plan for access points and to respond to GAO's findings and recommendations.

The Committee is aware of the need for a community-based outpatient clinic in Bennington, VT, and urges the Department to consider such a clinic through the normal agency approval process for community-based outpatient clinics. In addition, the Committee is aware of the need for a community-based outpatient clinic in Charleston, WV, to improve service to more than 27,000 veterans in Kanawha and surrounding counties, including Boone, Putnam, Lincoln, and Logan. The Committee urges VA to accelerate efforts by the Huntington VAMC to promote this valuable initiative. Finally, the Committee is aware that a need may exist to expand the

Meadville, PA, satellite clinic, which was established to improve access to care for patients in rural Crawford and Venango Counties, and urges VHA to consider such an expansion.

The Committee encourages the VA to establish outpatient clinics in southern and western Maryland, through the normal agency approval process. The Committee hopes that such clinics will become operational as quickly as possible once approved. The Committee also wants to ensure that both the Cambridge and Cumberland clinics in Maryland maintain their high level of service to veterans. The Committee requests an update within 60 days of enactment of this legislation outlining the future plans of the Cumberland and Cambridge clinics.

As part of a demonstration project funded by VA and the Department of Energy, installation of a coal-fired incinerator at the Lebanon VAMC is complete, but additional funds are needed to begin startup and testing of the unit. VA is urged to provide necessary funding to complete the demonstration project, which may have far-reaching applications in hospitals across the Nation.

The Committee also urges VA to consider providing funds necessary to procure and operate a mobile clinic to be operated from the Wilkes-Barre VAMC which would assist VA in providing primary care services to veterans in rural and isolated areas.

The Committee recognizes the merits of the State Veterans Home Program which is the largest provider of long-term nursing care to veterans in the United States. The Committee directs VA to ensure that the per diem for this program is adequate and appropriate, with a goal of achieving a one-third Federal share over the next few years. VA is directed to provide to the Committee within 60 days of enactment of this act its plans for achieving this goal.

The Committee is concerned that the rates of serious liver disease, liver cancer, and liver transplants related to hepatitis C infection are expected to rise rapidly among veteran populations over the next decade. Veterans health care facilities will bear a large part of the treatment cost. Those costs can be reduced with early screening and treatment of veterans infected with hepatitis C. Therefore, the Committee directs the Department to determine rates of hepatitis C infection among veterans receiving health services from the VA health care system, and to provide counseling and access to treatment for eligible veterans who test positive for hepatitis C. The Department should pay special attention to rates of hepatitis C among veterans of Vietnam and subsequent deployments. Finally, the Committee encourages the Department to coordinate with the Department of Defense on approaches to screen and treat active duty personnel.

The Committee applauds VA's decision in recent years to expand the psychology internship program to address the behavioral and mental health needs of veterans and urges VA to continue to strengthen the psychology training (predoctoral and postdoctoral) programs.

The Committee is supportive of a joint DOD-VA effort through the Joslin Diabetes Center to apply methods to improve detection capability for those prone to diabetes; improve diabetes prevention

and care; enhance the quality of life and productivity for diabetics; and lower health care costs for VA beneficiaries.

The Committee encourages VA to continue the VA/DOD Distance Learning Pilot Program to transition clinical nurse specialists to the role of nurse practitioners. This collaborative program with the Uniformed Services University of the Health Sciences Graduate School of Nursing will add to the number of primary care providers required to care for the projected increase in the numbers of aging and female veterans.

The Committee urges the Department to continue the demonstration project involving the Clarksburg VAMC and the Ruby Memorial Hospital at West Virginia University, with funding of up to \$2,000,000.

The Committee urges VA to provide adequate support for the National Center for Post-Traumatic-Stress Disorder, a seven site consortium dedicated to providing leadership in the research, treatment, education, and evaluation activities for PTSD.

The Committee has included bill language delaying the availability until September 30, 1998, of \$550,000,000 in the equipment, lands, and structures object classifications.

The Committee has not recommended bill language proposed by the administration to make available through September 30, 1999, up to 8.3 percent of the amounts made available for medical care. The Committee has also rejected bill language regarding compensation and pension exams directly funded from Veterans Benefits Administration resources. The Committee believes it is premature to authorize the funding of C&P exams from VBA resources given that a planned fiscal year 1997 pilot has yet to be initiated.

MEDICAL AND PROSTHETIC RESEARCH

Appropriations, 1997	\$262,000,000
Budget estimate, 1998	234,374,000
Committee recommendation	267,000,000

PROGRAM DESCRIPTION

The "Medical and prosthetic research" account provides funds for medical, rehabilitative, and health services research. Medical research supports basic and clinical studies that advance knowledge leading to improvements in the prevention, diagnosis, and treatment of diseases and disabilities. Rehabilitation research focuses on rehabilitation engineering problems in the fields of prosthetics, orthotics, adaptive equipment for vehicles, sensory aids and related areas. Health services research focuses on improving the effectiveness and economy of delivery of health services.

COMMITTEE RECOMMENDATION

The Committee recommends \$267,000,000 for medical and prosthetic research. This is an increase of \$5,000,000 above the current budget and \$32,626,000 above the budget request.

The Committee believes the administration's proposal to reduce drastically funds for this program would have devastating consequences on the veterans health care system. Therefore, the Com-

mittee has recommended a significant increase over the President's request.

The Committee supports the Department's proposals to create an overarching research strategy and establish an R&D program oversight body to advise the program leadership, to revitalize the career development program, and to increase collaboration with the Department of Defense research.

The Committee continues to support the establishment of a partnership with a private, not-for-profit research and treatment center, that could deliver new cancer therapy to veterans through radioimmunodetection and radioimmunotherapy, and directs VA to expedite efforts to establish such a partnership. The Garden State Cancer Center is recognized internationally in this field.

The Committee is aware that the Veterans Affairs Research Realignment Advisory Committee has reported its recommendations for realigning the VA research efforts. The major recommendation to create designated research areas [DRA's] which target the needs of the majority of the VA population has great merit. The use of DRA's would enhance VA's ability to prioritize its research efforts. The Committee encourages the Department to employ the methodology of DRA's during preparation of the fiscal year 1999 budget request for this account. Furthermore, while the report delineates nine major areas to target as DRA's, the Committee encourages VA to broaden those categories to include mental health and mental disorders.

The Committee is concerned that VA's efforts to reduce the number of management positions is having an adverse impact on Ph.D. research scientists at the GS 14/15 level. Given the deleterious effect such reductions likely will have on the research program, VA is strongly urged to exempt these research personnel from reductions intended to reduce managerial staff.

The Committee supports funding for research on bone disease in men, including the magnitude and character of the problem of osteoporosis and other bone diseases among the male veteran population including what causes bone loss among veterans, and the incidence of fractures and reduced bone mass in this population; appropriate therapies for the treatment of osteoporosis and other bone diseases in men; and the role of androgens in osteoporosis and other bone diseases in men. VA is urged to provide adequate funding for this important research.

The Committee urges VA to provide support for a cooperative program with the Diabetes Institute of Norfolk, VA, to develop protocols for the diagnosis and treatment of diabetic neuropathy. The Committee notes that Diabetes Mellitus is a critical problem confronting the Nation's veteran population, as approximately 25 percent of all VA patients have this disease.

The Committee is encouraged by VA's decision to increase funding available for prostate cancer research. VA estimated that it spent \$9,200,000 in fiscal year 1996 and that it will spend \$12,800,000 in fiscal years 1997-98 on this major health problem for aging males. Because prostate cancer research is one of the leading causes of death among veterans, VA is encouraged to increase funding for prostate cancer research.

The Committee is aware of the successful use of proton therapy in treating a number of cancers, including prostate cancer, and other life-threatening diseases. Because of the heightened incidence of prostate cancer and other cancers in the veteran population, the Committee urges the Department to prioritize clinical research into proton therapy as a treatment option for these conditions.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Appropriations, 1997	\$61,207,000
Budget estimate, 1998	60,160,000
Committee recommendation	60,160,000

PROGRAM DESCRIPTION

This appropriation provides funds for central office executive direction (Under Secretary for Health and staff), administration and supervision of all VA medical and construction programs, including development and implementation of policies, plans, and program objectives.

COMMITTEE RECOMMENDATION

The Committee recommends \$60,160,000 for medical administration and miscellaneous operating expenses, the same as the budget request and \$1,047,000 below the current budget.

GENERAL POST FUND, NATIONAL HOMES (INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans	Administrative expenses
Appropriations, 1997	\$7,000	\$70,000	\$54,000
Budget estimate, 1998	7,000	70,000	54,000
Committee recommendation	7,000	70,000	54,000

PROGRAM DESCRIPTION

This program provides loans to nonprofit organizations to assist them in leasing housing units exclusively for use as a transitional group residence for veterans who are in (or have recently been in) a program for the treatment of substance abuse. The amount of the loan cannot exceed \$4,500 for any single residential unit and each loan must be repaid within 2 years through monthly installments. The amount of loans outstanding at any time may not exceed \$100,000.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$7,000 for the estimated cost of providing loans, \$54,000 for administrative expenses, and a \$70,000 limitation on direct loans. The administrative expenses may be transferred to and merged with the general post fund.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

Appropriations, 1997	\$827,584,000
Budget estimate, 1998	846,385,000
Committee recommendation	786,385,000

PROGRAM DESCRIPTION

This appropriation provides for the administration of nonmedical veterans benefits through the Veterans Benefits Administration [VBA], the executive direction of the Department, several top level supporting offices, of the Board of Contract Appeals, and the Board of Veterans Appeals.

COMMITTEE RECOMMENDATION

The Committee recommends \$786,385,000 for general operating expenses, a reduction of \$41,199,000 below the current budget, and \$60,000,000 below the budget request. In addition to this appropriation, additional resources are made available to general operating expenses through reimbursements totaling \$312,516,000, with total estimated obligations of approximately \$1,099,000,000.

The Committee has made the following changes to the budget request:

- \$68,000,000 for the cost of compensation and pension exams. This activity will continue to be funded from the "Medical care" account in fiscal year 1998.
- + \$5,000,000 for activities necessary to ensure compliance with year 2000 computer requirements. The Committee is extremely concerned about the year 2000 problem within the VBA's benefits payments system. If the problem is not corrected, the result could be inaccurate and late benefit payments to millions of veterans. The General Accounting Office recently reported that while VBA has begun to take action to address the problem, many deficiencies remain. Addressing this problem should be VBA's highest priority.
- + \$5,000,000 for development and implementation of departmental capacities that will enable effective strategic planning and management, including actuarial analysis, program evaluation, continued development of a veteran-focused information technology architecture integrated with VA's business lines, and related activities. A plan for the expenditure of these funds is expected in the operating plan. No funds are to be allocated prior to review and approval by the Committees on Appropriations.
- + \$3,000,000 for information technology priorities delineated by the National Academy of Public Administration [NAPA] in its recent report, subject to review and approval in the operating plan.
- \$5,000,000 from VETSNET, a new computer system to replace the current payment system, consistent with NAPA's recommendation.

The Committee has been very concerned with VA's failure to address comprehensively fundamental, systemic shortcomings in its

service delivery to veterans in the compensation and pension program. These shortcomings include long lead times for decisions on original and reopened compensation claims, long delays in appeals, and the lack of a comprehensive, systemic approach to adjudication quality. Because of its concerns, the Committee provided for the National Academy of Public Administration to conduct a comprehensive assessment of the claims adjudication process and appeals process to make specific recommendations for comprehensive, strategic improvements.

The key Academy panel conclusion is the VA has not met the challenge of achieving long-term improvement in services for veterans because it has not had the consistent leadership and the strategic planning and management capacities needed to plan and rigorously implement such improvement. The Academy panel also concluded that recent improvements by the Board of Veterans Appeals provide a good chance of eliminating appeals backlogs by the year 2000. The Committee notes that, with vacancies in the positions of Secretary, the Under Secretary for Benefits and the Chair of the Board, the administration has a unique opportunity to hire the skilled executives needed to provide this leadership and management expertise.

The Academy panel calls for the VA to develop a comprehensive reform plan and identifies the specific areas that this plan needs to address. This plan should: (1) identify how VBA leadership will be revamped and accountability for performance improved, including giving line authority to the directors of the business lines over the field; (2) create a strategic management process within VBA; (3) specify steps necessary to fix the year 2000 computer problem; (4) layout steps to be taken to improve the business process re-engineering plan; (5) develop a computer modernization get-well plan; (6) develop a 5-year field restructuring plan. Consideration should be given to eliminating the area offices; and (7) establish a goal of reducing the Board of Veterans Appeals backlog to acceptable levels by the year 2000. In each of these areas the Academy lays out in detail the kinds of actions that the Secretary and Under Secretary for Benefits need to take.

The Committee directs the VA to present a formal plan to Congress by March 31, 1998, and expects that this plan, and its component pieces, will be accompanied by detailed and integrated implementation milestones and the resources the VA has allocated to achieve them. A detailed report on progress against these milestones should be provided to the Committee by September 30, 1998, and every 6 months thereafter. The Academy panel strongly recommends that VBA reach out actively to its stakeholders including the veterans service organizations, Congress, and others. The Committee is in full agreement with this and directs the VA to consult with these stakeholders throughout the process of preparing this comprehensive reform plan.

In addition, the Academy panel recommends that VBA seek expertise and best practices from outside of the agency in developing its reform plans and implementing them on an ongoing basis. The agency should consider borrowing for a limited time executives and experts from Federal agencies and from leading companies in the private sector. In addition, the Committee will support reasonable

VBA efforts to engage private consulting expertise necessary to assist in upgrading its leadership and strategic management capacities.

The Committee directs the Department to report back within 90 days of enactment of this act on a plan to increase the utilization rate of education benefits, including an analysis of why utilization rates are relatively low and what might be done to increase utilization, including extending the time limit on using these benefits.

The Committee has not recommended bill language authorizing funds from this account to be used to conduct compensation and pension medical examinations. The pilot program planned for the current fiscal year to contract out C&P examinations has not yet been initiated. Therefore, the authorization proposed for fiscal year 1998 is premature.

NATIONAL CEMETERY SYSTEM

Appropriations, 1997	\$76,864,000
Budget estimate, 1998	84,183,000
Committee recommendation	84,183,000

PROGRAM DESCRIPTION

The National Cemetery System was established in accordance with the National Cemeteries Act of 1973. It has a fourfold mission: to provide for the interment in any national cemetery the remains of eligible deceased servicepersons and discharged veterans, together with their spouses and certain dependents, and to permanently maintain their graves; to mark graves of eligible persons in national and private cemeteries; to administer the grant program for aid to States in establishing, expanding, or improving State veterans' cemeteries; and to administer the Presidential Memorial Certificate Program.

There are a total of 149 cemeterial installations in 39 States, the District of Columbia, and Puerto Rico. The Committee's recommendation for the National Cemetery System provides funds for all of these cemeterial installations, including the Tahoma National Military Cemetery, which would be the first of its kind for Washington State veterans.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$84,183,000 for the National Cemetery System. This is an increase of \$7,319,000 over the enacted level. The amount provided will enable the Department to increase its FTE's in the National Cemetery System by 52, for a total of 1,375. The budget also includes funding for additional supplies and materials to address the growth in cemeterial workloads in 1998.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1997	\$30,900,000
Budget estimate, 1998	31,013,000
Committee recommendation	31,013,000

PROGRAM DESCRIPTION

The Office of Inspector General was established by the Inspector General Act of 1978 and is responsible for the audit and investigation and inspections of all Department of Veterans Affairs programs and operations.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$31,013,000 for the inspector general. This is an increase of \$113,000 above the current budget.

CONSTRUCTION, MAJOR PROJECTS

(INCLUDING RESCISSION OF FUNDS)

Appropriations, 1997	\$250,858,000
Budget estimate, 1998	79,500,000
Committee recommendation	92,800,000

PROGRAM DESCRIPTION

The construction, major projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of VA, including planning, architectural and engineering services, and site acquisition where the estimated cost of a project is \$4,000,000 or more.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$92,800,000 for construction, major projects, an increase of \$13,300,000 above the budget request. In addition to the projects proposed in the budget, the Committee recommends \$12,400,000 for the Pittsburgh renovations project, which was partially funded in the fiscal year 1997 appropriation, and \$900,000 for the National Veterans Cemetery in Oklahoma.

The following table compares the Committee recommendation with the budget request.

CONSTRUCTION, MAJOR PROJECTS

[In thousands of dollars]

Location and description	Available through 1997	1998 request	Committee recommenda- tion
Medical Program:			
Replacement and modernization: Memphis, TN, seismic corrections	73,000	34,600	34,600
Patient privacy/environmental: Pittsburgh (UD), PA, envi- ronmental improvements	5,000		12,400
Advance planning fund: Various stations		4,933	4,933
Design fund: Various stations		3,500	3,500
Asbestos abatement: Various stations		4,000	4,000
Seismic vulnerability studies: Various stations		1,000	1,000

CONSTRUCTION, MAJOR PROJECTS—Continued

[In thousands of dollars]

Location and description	Available through 1997	1998 request	Committee recommenda- tion
Subtotal, medical programs	78,000	48,033	60,433
National Cemetery Program:			
Cleveland, OH, new cemetery, phase I development	1,958	12,642	12,642
Fort Sam Houston, TX, burial area expansion		9,400	9,400
Oklahoma City, OK, new cemetery	500		900
National Memorial Cemetery of Arizona, gravesite develop- ment		9,100	9,100
Advance planning fund: Various stations		750	750
Less: Design fund		— 925	— 925
Subtotal, National Cemetery Program	2,458	30,967	31,867
Claims analyses: Various stations		500	500
Total construction, major projects	80,458	79,500	92,800

The Committee notes that expansion of the Jefferson Barracks National Cemetery in St. Louis, MO, has been identified by the Department of Veterans Affairs as a national priority. The Committee directs the Department to proceed expeditiously with this expansion, noting that land has been identified and purchased for the project.

The Committee has included bill language prohibiting \$32,100,000 in prior-year funds from being obligated for a new hospital at Travis Air Force Base in Fairfield, CA, consistent with a General Accounting Office conclusion that such a project was not justified. However, the provision allows these funds to be used to implement the decisions reached as a result of the recommendations contained in a final report entitled "Assessment of Veterans' Health Care Needs in Northern California." The Committee expects that veterans in the Sierra Pacific network will be given full access to VA medical services.

CONSTRUCTION, MINOR PROJECTS

Appropriations, 1997	\$175,000,000
Budget estimate, 1998	166,300,000
Committee recommendation	166,300,000

PROGRAM DESCRIPTION

The construction, minor projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of VA, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than \$4,000,000.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$166,300,000, a decrease of \$8,700,000 below the current budget.

The administration's budget proposed an increase in the minor construction project cost limitation to \$5,000,000. The Committee has changed the current limitation to \$4,000,000 consistent with authorizing legislation.

The Committee has not recommended bill language requested by the administration authorizing the expenditure of minor construction funding for enhanced use projects. The Committee does not believe this authorization is justifiable at this time.

The Committee is aware that the Department has deferred the completion of the third floor of the Jackson, MS, regional office owing to the recent reorganization of the Veterans Health Administration and planned reengineering efforts within the Veterans Benefits Administration. The Committee directs the Department to move expeditiously in resolving organizational issues so as to complete the Jackson office as soon as possible, if consistent with restructuring and staffing plans. Sufficient funds are included in this appropriation for the completion of the third floor should the Department be ready to proceed in fiscal year 1998.

The Committee notes the need for expanding the columbarium at the National Memorial Cemetery of the Pacific, and urges VA to allocate necessary funds, estimated at \$1,500,000 for this project.

PARKING REVOLVING FUND

Appropriations, 1997	\$12,300,000
Budget estimate, 1998	
Committee recommendation	

PROGRAM DESCRIPTION

The revolving fund provides funds for the construction, alteration, and acquisition (by purchase or lease) of parking garages at VA medical facilities authorized by 38 U.S.C. 8109.

The Secretary is required under certain circumstances to establish and collect fees for the use of such garages and parking facilities. Receipts from the parking fees are to be deposited in the revolving fund and would be used to fund future parking garage initiatives.

COMMITTEE RECOMMENDATION

No new budget authority is requested by the administration or provided for fiscal year 1998.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Appropriations, 1997	\$47,397,000
Budget estimate, 1998	41,000,000
Committee recommendation	80,000,000

PROGRAM DESCRIPTION

This account is used to provide grants to assist States in acquiring or constructing State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes. The grant may not exceed 65 percent of the total cost of the project, and grants to any one

State may not exceed one-third of the amount appropriated in any fiscal year.

COMMITTEE RECOMMENDATION

The Committee recommends \$80,000,000 for grants for the construction of State extended care facilities. The amount provided represents an increase of \$39,000,000 above the budget request and \$32,603,000 over the enacted level. The Committee notes there is a backlog of 57 priority one projects. The amount recommended will significantly reduce this substantial backlog. This program is a cost-effective means of meeting the long-term health care needs of veterans.

The Committee notes applications for construction funding for veterans homes to be located in Cameron and Warrensburg, MO. There is a proven need and substantial State and local support for these projects, which are on track to begin quickly. Federal funding of \$13,200,000 and \$13,600,000, respectively, will leverage a total of more than \$14,000,000 in State assistance, and enable the projects to proceed to completion swiftly. The Committee urges favorable and expeditious review of the construction applications for State veterans homes in Cameron and Warrensburg, MO.

The Committee is aware of the health and safety concerns of the residents of the Southeastern Veterans Center in Spring City, PA, which is in dire need of a new dietary complex and boilerplant. The Committee directs VA to accord this construction project priority consideration.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS' CEMETERIES

Appropriations, 1997	\$1,000,000
Budget estimate, 1998	10,000,000
Committee recommendation	10,000,000

PROGRAM DESCRIPTION

Public Law 95-476, as codified in title 38 U.S.C. 2408, established authority to provide aid to States for establishment, expansion, and improvement of State veterans' cemeteries which are operated and permanently maintained by the States. A grant may not exceed 50 percent of the total value of the land and the cost of improvements.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$10,000,000 for grants for construction of State veterans' cemeteries in fiscal year 1998.

The Committee notes that substantial State and local resources have been committed to efforts to establish veterans cemeteries in Springfield and Higginsville, MO. The Committee notes that the State of Missouri has committed \$2,020,000 and \$1,760,000 to these respective projects contingent on matching funds from the Department of Veterans Affairs. Sites have been located and these projects are on track for construction in Spring 1998, with projected completion in late Spring 1999, if the Federal funds are committed to leverage other funding. The Committee asks the Department to

thoroughly and expeditiously consider applications for cemetery sites in Springfield and Higginsville, MO.

ADMINISTRATIVE PROVISIONS

The Committee has included seven administrative provisions carried in earlier bills. Included is a provision enabling VA to use surplus earnings from the national service life insurance, U.S. Government life insurance, and veterans special life insurance programs to administer these programs. This provision was included for the first time in fiscal year 1996 appropriations legislation. The Department estimates that \$36,000,000 will be reimbursed to the "General operating expenses" account as a result of this provision.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Appropriations, 1997	\$19,453,809,442
Budget estimate, 1998	25,563,255,000
Committee recommendation	25,505,255,000

GENERAL DESCRIPTION

The Department of Housing and Urban Development [HUD] was established by the Housing and Urban Development Act (Public Law 89–174), effective November 9, 1965. This Department is the principal Federal agency responsible for programs concerned with the Nation’s housing needs, fair housing opportunities, and improving and developing the Nation’s communities.

In carrying out the mission of serving the needs and interests of the Nation’s communities and of the people who live and work in them, HUD administers mortgage and loan insurance programs that help families become homeowners and facilitate the construction of rental housing; rental and homeownership subsidy programs for low-income families who otherwise could not afford decent housing; programs to combat discrimination in housing and affirmatively further fair housing opportunity; programs aimed at ensuring an adequate supply of mortgage credit; and programs that aid neighborhood rehabilitation, community development, and the preservation of our urban centers from blight and decay.

HUD administers programs to protect the homebuyer in the marketplace and fosters programs and research that stimulate and guide the housing industry to provide not only housing, but better communities and living environments.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$25,505,255,000 for the Department of Housing and Urban Development. This is an increase of \$6,051,445,558 above the 1997 enacted level and a decrease of \$58,000,000 below the budget estimate.

Consistent with reforms begun over the last several years regarding HUD, the Committee recommends a new account structure for HUD, consistent with steps taken by the Congress and the Department to consolidate HUD’s activities and programs. The new housing voucher fund would include activities related to the section 8 programs, including the renewal of section 8 contracts, funding for section 8 contract amendments and section 8 relocation assistance. The new public housing operating fund would fund the operating costs of the public housing program and the new public housing capital fund would address the capital needs of public housing, including the public housing modernization program. The “Native American housing block grants” account consolidates most of the funding for native American housing activities under a single ac-

count, consistent with the requirements of the Native American Housing Assistance and Self-Determination Act of 1996. Finally, a new "Housing for special populations" account would provide the necessary funding for section 202 elderly and section 811 disabled housing.

The Committee is concerned about HUD's repeated gestures of reinvention. Recently, the Department issued its new management plan and its goal of consolidating and eliminating programs. The Committee directs the Department to report within 120 days of enactment of this legislation on how many programs the Department plans to eliminate, what cost savings may be associated with the eliminations, and what increased efficiency the Department anticipates will be gained by the program consolidations (including staff reassignments and reductions).

The Committee also urges HUD to meet all the requirements of the Government Performance and Results Act. The Committee advises HUD that consultation with Congress is critical to the success of the Results Act and the success of HUD.

HOUSING CERTIFICATE FUND (INCLUDING TRANSFER OF FUNDS)

Appropriations, 1997	
Budget estimate, 1998	\$10,676,000,000
Committee recommendation	10,693,000,000

PROGRAM DESCRIPTION

The housing voucher fund is a new account designed to fund the section 8 programs, including vouchers, certificates, and project-based assistance. Section 8 assistance is the principal appropriation for Federal housing assistance, with almost 3 million families assisted under section 8. Under these programs, eligible low-income families pay 30 percent of their adjusted income for rent, and the Federal Government is responsible for the remainder of the rent, up to the fair market rent or some other payment standard. For fiscal year 1998, the House bill provides funding for the renewal of expiring section 8 contracts, for section 8 contract amendments, and section 8 relocation assistance (including sticky vouchers for preservation projects.)

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$10,693,000,000, of which \$9,200,000,000 shall be used to fund expiring section 8 contracts, \$1,150,000,000 shall be used to fund contract amendments, and \$343,000,000 shall be used to fund section 8 relocation assistance, including the costs of sticky vouchers for families that choose to continue to live in multifamily housing in which a mortgage is refinanced and the housing was previously eligible for the Preservation Program. The \$9,200,000,000 is the funding fenced under the budget agreement to fund fully all expiring section 8 contracts (some 1.7 million contracts) for fiscal year 1998. This account provides \$1,150,000,000 for section 8 contract amendments to cover funding shortfalls in existing contracts. Finally, this account includes funds for new section 8 certificates and vouchers to assist

residents that are facing displacement due to prepayment of subsidized mortgages under sections 236 and 221(d)(3) of the National Housing Act (the Preservation Program) or because of demolition and redevelopment activities of public housing agencies under HOPE VI.

In particular, for projects facing displacement because of prepayment, HUD is authorized to provide sticky vouchers which permit current residents of such a project to be subsidized based on the market rent for a dwelling unit in the project. Other eligible funding for this account includes funding for the conversion of section 23 projects to assistance under section 8, funding to carry out the family unification program, and funding for the relocation of witnesses in connection with efforts to fight crime in public and assisted housing pursuant to a law enforcement or prosecution agency.

In addition, the Committee believes that section 8 tenant-based assistance provides a unique opportunity for disabled families to have a more diverse housing choice with an opportunity to mainstream into a community of choice. In cases where elderly public housing and assisted housing projects are designated as elderly-only, it is expected that funds under this heading be used to provide needed section 8 tenant-based housing assistance for disabled families that would otherwise be served by public and assisted housing.

Finally, the Committee reiterates its continuing concern over HUD's inability to provide adequate accounting procedures for identifying excess section 8 contract reserves. While the Department identified on April 17, 1997, some \$5,800,000,000 in excess section 8 contract reserves, it currently continues to express uncertainty over the accuracy of this accounting and has contracted with Price Waterhouse for an audit of these reserves. The Committee reminds HUD that an accurate fiscal forecast of the funding in all HUD programs is critical to HUD's credibility and is a requirement to a sound relationship with this Committee.

PUBLIC HOUSING CAPITAL FUND

Appropriations, 1997	
Budget estimate, 1998	\$2,500,000,000
Committee recommendation	2,500,000,000

PROGRAM DESCRIPTION

This account provides funding for modernization and capital needs of public housing authorities (except Indian housing authorities), including supportive service activities as well as technical assistance. Eligible activities include congregate services for the elderly and disabled, service coordinators, and other supportive services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,500,000,000 for the public housing capital fund. Of the amounts provided under this account, \$60,000,000 shall be for a public and self-sufficiency program previously funded under the CDBG program. In addition,

\$10,000,000 of the \$60,000,000 is designated for the moving-to-work demonstration for public housing families and \$5,000,000 for the tenant opportunity program. The funding for these programs has been transferred from the "CDBG program" account to the more appropriate "Public housing capital" account.

In addition, the Committee commends HUD's work with the National Center for Appropriate Technology [NCAT] in assisting HUD and public and assisted housing managers to make improvements in energy efficiency. Energy efficiency remains an important issue as this housing stock gets older and has increased repair needs and costs. The Committee urges HUD to continue its efforts in ensuring the energy efficiency of the public and assisted housing stock.

PUBLIC HOUSING OPERATING FUND

Appropriations, 1997	
Budget estimate, 1998	\$2,900,000,000
Committee recommendation	2,900,000,000

PROGRAM DESCRIPTION

This account provides funding for the payment of operating subsidies to public housing authorities (except Indian housing authorities) to augment rent payments by residents in order to provide sufficient revenues to meet reasonable operating costs as determined through the performance funding system.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,900,000,000 for the public housing operating fund. The Committee requests GAO to conduct a study on the adequacy of the performance funding system and public housing operating funds for the management of public housing agencies, including a comparison of public housing operating costs with acceptable management costs associated with the operation of private rental housing.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

Appropriations, 1997	\$290,000,000
Budget estimate, 1998	290,000,000
Committee recommendation	290,000,000

PROGRAM DESCRIPTION

Drug elimination grants are provided to public and Indian housing agencies to combat drug-related crime in and around public housing developments.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$290,000,000 for drug elimination grants for low-income housing, of which \$10,000,000 shall be awarded for technical assistance grants, \$10,000,000 shall be appropriated to fund Operation Safe House which is administered by the HUD inspector general, and \$5,000,000 for administrative cost of the HUD inspector general associated with Operation Safe House.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING
[HOPE VI]

Appropriations, 1997	\$550,000,000
Budget estimate, 1998	524,000,000
Committee recommendation	550,000,000

PROGRAM DESCRIPTION

The “Revitalization of severely distressed public housing” account is intended to make awards to public housing authorities on a competitive basis to demolish obsolete failed developments or to revitalize, where appropriate, sites upon which these developments exist. This is a focused effort to eliminate public housing which was, in many cases, poorly located, ill-designed, and not well constructed. Such unsuitable housing has been very expensive to operate, and not possible to manage in a reasonable manner due to multiple deficiencies.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$550,000,000 for the “HOPE VI” account. The Committee urges the Department to review the cost of projects under this program, including the high cost of replacing units throughout the Nation. HUD must administer this program in a manner that is both fiscally responsible and responsive to local needs and conditions associated with the demolition and reconstruction of the housing.

The Committee has set-aside \$50,000,000 for a new demonstration within the HOPE VI program which provides for the demolition of obsolete elderly public housing projects and the replacement, where appropriate, and revitalization of elderly public housing as new communities for the elderly designed to meet the special needs and physical requirements of the elderly. The Committee urges HUD to fund unique and important elderly housing projects that provide a link with services, health care, and transportation, while emphasizing continued independence and self-sufficiency. For example, Heritage House in Kansas City offers a unique opportunity to maximum the ability of these senior residents to make the transition from a deteriorating housing infrastructure to new housing and a new and positive environment in a community outside the downtown business and commercial district.

In addition, the Committee wants to ensure that the HOPE VI program provides not only physical improvements for neighborhoods, but helps to build human and social capital also by emphasizing the assets of residents and how to build on them. The Committee notes that a February 1997 GAO report indicates that housing authorities had budgeted an average of 13 percent of their HOPE VI money to provide community and supportive services, with 81 percent of HOPE VI sites providing supportive services. The Committee directs the GAO to continue its analysis of the HOPE VI program and report on what percentage of HOPE VI grant money is used specifically to provide supportive services, and to focus on the effectiveness of supportive services offered in helping residents obtain and retain employment. The GAO should also

comment on the effectiveness of HOPE VI grantees in leveraging their money in providing support services.

NATIVE AMERICAN HOUSING BLOCK GRANT

Appropriations, 1997	
Budget estimate, 1998	\$485,000,000
Committee recommendation	485,000,000

PROGRAM DESCRIPTION

This new account funds the native American housing block grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address the housing needs within their communities. Under this block grant, Indian tribes will use performance measures and benchmarks that are consistent with the national goals of the program, but can base these measures on the needs and priorities established in their own Indian housing plan. In addition, all obligated and unobligated balances for Indian tribes from the annual contributions, development of additional new subsidized housing, preserving existing housing investment, HOME investment partnerships program, emergency shelter grants, and homeless assistance grants are transferred to this account.

COMMITTEE RECOMMENDATION

The Committee recommends \$485,000,000 for the native American housing block grant, of which \$5,000,000 is set aside for a credit subsidy for a demonstration of the section 601 Loan Guarantee Program. The Senate recommendation is the same as the budget request.

The Committee remains concerned that the administration's request may be inadequate for the native American housing block grant and may not match up with prior year funding in some cases, placing successful programs at risk of failure. The Committee requests that HUD report to the Appropriations Committee every 6 months with an evaluation, including recommendations, of the status of the native American housing block grant.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

Appropriations, 1997	\$3,000,000
Budget estimate, 1998	3,000,000
Committee recommendation	6,000,000

PROGRAM DESCRIPTION

This program provides access to private financing for Indian families, Indian tribes and their tribally designated housing entities who otherwise could not acquire housing financing because of the unique status of Indian trust land. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATION

The Committee recommends \$6,000,000 in program subsidies to support a loan guarantee level of \$73,800,000. This is \$3,000,000 more than the fiscal year 1997 appropriation and the fiscal year 1998 budget request. This increase emphasizes the commitment of the Committee to encourage the use of private capital on tribal land.

CAPITAL GRANTS/CAPITAL LOANS PRESERVATION ACCOUNT

Appropriations, 1997 .....	.....
Budget estimate, 1998 .....	.....
Committee recommendation .....	.....

PROGRAM DESCRIPTION

This account provides a structure for continuing a modified capital grant/capital loan program for housing preservation activities under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 [Preservation Program or LIHPRHA]. There are currently some 275 projects eligible for the Preservation Program with total preservation costs of \$1,000,000,000.

COMMITTEE RECOMMENDATION

This account provides funding only to the extent that amounts recaptured from interest reduction payments from section 236 contracts exceed \$250,000,000 in fiscal year 1998. Since this funding is unlikely, this account primarily is intended to keep the dialog alive on strategies to preserve certain affordable low-income housing which otherwise could be lost to the available low-income housing stock. Unfortunately, the Preservation Program has been sharply criticized recently for high sale costs, high rehabilitation costs, and several instances of fraud and abuse. The July 1997 GAO report on "Housing Preservation: Policies and Administrative Problems Increase Costs and Hinder Program Operations" (GAO/RCED-97-169) emphasizes these concerns.

The Committee believes a preservation policy designed to maintain this housing for low-income use is necessary to preserve this scarce resource. While the administration opposes the continuation of the Preservation Program or, in general, any preservation program, the new program requirements in this account are intended to restrict inflated appraisals and rehabilitation costs and address the pressing and serious concerns raised by GAO.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

Appropriations, 1997	\$4,600,000,000
Budget estimate, 1998	4,600,000,000
Committee recommendation	4,600,000,000

PROGRAM DESCRIPTION

Under title I of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award block grants to units of general local government and States for the fund-

ing of local community development programs. A wide range of physical, economic, and social development activities are eligible with spending priorities determined at the local level, but the law enumerates general objectives which the block grants are designed to fulfill, including adequate housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. Grant recipients are required to use at least 70 percent of their block grant funds for activities that benefit low- and moderate-income persons.

Funds are distributed to eligible recipients for community development purposes utilizing the higher of two objective formulas, one of which gives somewhat greater weight to the age of housing stock. Seventy percent of appropriated funds are distributed to entitlement communities and 30 percent are distributed to nonentitlement communities after deducting designated amounts for special purpose grants and Indian tribes. Pursuant to the Cranston-Gonzalez National Affordable Housing Act, Indian tribes are eligible to receive 1 percent of the total CDBG appropriation, on a competitive basis.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,600,000,000 for the Community Development Block Grant [CDBG] Program in fiscal year 1998. This amount is the same as the 1997 enacted level. The Committee has included brownfields cleanup as an eligible activity under CDBG and urges communities to work with the EPA to maximize the cleanup of brownfields and the return of these areas to productive use.

Set-asides under CDBG include \$67,000,000 for native Americans; \$60,000,000 for the Lead-Based Paint Hazard Reduction Program; \$2,100,000 for the Housing Assistance Council; \$1,500,000 for the Native American Indian Housing Council; \$20,000,000 for the National Community Development Initiative, with \$10,000,000 targeted to rural and tribal areas; \$35,000,000 for Youthbuild; \$7,000,000 for insular areas; \$6,500,000 for community development work study; \$2,000,000 for revitalizing areas of Los Angeles, as provided under section 107(b)(7); \$7,500,000 for historically black colleges and universities, including \$1,000,000 for Morgan State in Baltimore, MD, for studies related to the fields of science and mathematics; and \$6,500,000 for community development work study, with a \$3,000,000 set-aside for Hispanic-serving institutions. The Community Outreach Program also is funded at \$12,000,000, with \$2,000,000 for the expansion and startup costs associated with the expansion of Hofstra University's Business Development Center, \$1,000,000 for St. Louis University for community development activities at LeClede Town in St. Louis, and \$1,000,000 for the University of Colorado with its Health Sciences Center.

In addition, this legislation includes a \$40,000,000 set-aside within the CDBG program for the economic development initiative to finance efforts that promote economic and social revitalization.

At a minimum, the Secretary is directed to fund the following grants as part of the Economic Development Program: \$2,500,000 for enlarging and updating the Scarborough Library at Shepherd College in Shepherdstown, WV; \$2,000,000 for the State of Mary-

land for brownfields activities in the Baltimore, MD, metropolitan region; \$2,000,000 for the economic redevelopment of downtown Ogden, UT; \$2,000,000 for the renovation of the Albright-Knox Art Gallery in Buffalo, NY; \$400,000 for the completion of a regional landfill in Charles Mix County, SD; \$2,500,000 for the construction of a building related to the Bushnell Theater in Hartford, CT; \$2,500,000 for exhibit and program development at Discovery Place in Charlotte, NC; \$600,000 for the development of the West Maui Community Resource Center in West Maui, HI; \$1,500,000 for the renovation of the Paramount Theater in Rutland, VT; \$1,000,000 for the Lake Champlain Science Center in Burlington, VT; \$2,000,000 for the renovation of the Tapley Street Operations Center in Springfield, MA; \$2,000,000 to develop abandoned industrial sites in the city of Perth Amboy, NJ; \$2,500,000 to the New Mexico Office of Cultural Affairs for the New Mexico Hispanic Cultural Center; \$400,000 for the Riverbend Research and Training Park in Post Falls, ID; \$2,500,000 in total funding at the University of Missouri including \$2,000,000 for the plant genetics research unit and \$500,000 for the Delta Research Telecommunications Resource Center; \$2,000,000 for the Cleveland Avenue YMCA in Montgomery, AL, to build a cultural arts center; and \$1,000,000 for Covenant House in Anchorage, AK.

In addition, HUD is required to report on all projects funded under EDI, identifying the purpose of a project, the economic impact and social utility of a project, and the lessons learned from a project that can be applied as a model throughout the country.

The Committee notes that a project at the University of San Francisco, related to international business and environmental management, is eligible for funding under the EDI program.

This legislation includes a new rural housing and rural economic development demonstration of \$42,000,000 within the CDBG program. Under this demonstration, HUD is to select various sites in rural and tribal areas, including at least one tribal area in Alaska, to test out comprehensive approaches to leverage additional private and public capital, develop a job base through economic revitalization and develop affordable low- and moderate-income housing. The Committee especially is concerned over the lack of private capital and the unaffordability of housing in rural areas. There have been reports that the cost of building housing exceeds the appraised value of the housing.

The Committee provides a set-aside of \$30,000,000 for competitive grants to entities that manage public housing, federally assisted multifamily housing, and other low-income multifamily housing to reimburse local law enforcement entities for increased presence around such housing developments; to provide or augment security services; to assist in the investigation and/or prosecution of drug-related criminal activity in or around such housing; and to provide assistance for the development of capital improvements at such housing directly relating to the security of such housing.

In addition, \$29,000,000 is provided for the cost of guaranteed loans, as authorized under section 108 of the Housing and Community Development Act of 1974, to subsidize a total loan principal not to exceed \$1,261,000,000.

Finally, the President has requested \$100,000,000 for empowerment zones and communities and \$25,000,000 for the redevelopment of brownfields. The Committee recommends against the empowerment zone funding request because there is no authorizing legislation for a second round of empowerment zones and enterprise communities. There also are many outstanding concerns about the merits of the first competition, as well as outstanding concerns about the success of the designated empowerment zones, including questions of disorganization, lack of effective planning, and questionable use and nonuse of funds.

The Committee also believes that HUD does not have the technical or management capacity to administer a brownfields program. Nevertheless, brownfields problems plague many cities and the Committee believes that it is appropriate that States and cities have the flexibility to use their CDBG funds for brownfields redevelopment. The Committee urges States and cities to consult with the EPA on the technical issues associated with brownfields. In addition, the Committee recommends against any funding for the bridges to work demonstration and advises that the program is considered terminated.

In addition, the Committee remains very concerned about HUD's administration of the Church Arson Prevention Act. While this act is designed for HUD to guarantee reconstruction loans for churches which have been targeted by arson or acts of terrorism, the Committee believes that HUD has provided little oversight of the loans and the loan activities. The Committee directs HUD to provide the Committee within 60 days with a list of all requirements and program criteria under the act, a list of all loan applicants, and the reason for each funding request. Further, the Committee requests a list of all projects funded, the amount of each loan guaranteed, and a report on the decisionmaking process for the funding decision, including which loans were guaranteed on the basis of known arson or hate crimes.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriations, 1997	\$1,400,000,000
Budget estimate, 1998	1,309,000,000
Committee recommendation	1,400,000,000

PROGRAM DESCRIPTION

Title II of the National Affordable Housing Act, as amended, authorizes the HOME Investment Partnerships Program. This program provides assistance to States and units of local government for the purpose of expanding the supply and affordability of housing. Eligible activities include tenant-based rental assistance, acquisition, and rehabilitation of affordable rental and ownership housing and, also, construction of housing. To participate in the HOME Program, State and local governments must develop a comprehensive housing affordability strategy [CHAS]. There is a 25-percent matching requirement for participating jurisdictions which can be reduced or eliminated if they are experiencing fiscal distress.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,400,000,000 for the HOME Investment Partnership Program. This amount is the same level as the 1997 appropriation.

HOMELESS ASSISTANCE

HOMELESS ASSISTANCE GRANTS

Appropriations, 1997	\$823,000,000
Budget estimate, 1998	823,000,000
Committee recommendation	823,000,000

PROGRAM DESCRIPTION

The "Homeless Assistance Grants Program" account is intended to fund the emergency shelter grants program, the supportive housing program, the section 8 moderate rehabilitation single-room occupancy program, and the shelter plus care program.

COMMITTEE RECOMMENDATION

The Committee recommends \$823,000,000 for homeless assistance grants. The amount recommended is the same amount appropriated for fiscal year 1997 and the same as the budget request for fiscal year 1998.

The Committee is concerned over questions about the current adequacy of funding for the Homeless Assistance Grants Program. The Committee expects HUD to provide a full accounting of the program, including trends in the costs and activities associated with the homeless, with rental costs and the Federal share of this cost and strategies for a continuum of care and transition to permanent housing.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS [HOPWA]

Appropriations, 1997	\$171,000,000
Budget estimate, 1998	204,000,000
Committee recommendation	204,000,000

PROGRAM DESCRIPTION

The Housing Opportunities for Persons with AIDS [HOPWA] Program is designed to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$204,000,000 for this program, an increase of \$33,000,000. The Committee remains concerned about the growing costs of this program at a time of fiscal constraint. HUD, therefore, is requested to submit to the Appropriations Committees no later than January 15, 1998, a review of the program, including the costs and location of each project, including all component costs associated with bricks and mortar, supportive services, and administrative costs. HUD also is requested

to submit legislative and administrative reforms designed to cap the costs of the program at the current level.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

Appropriations, 1997	\$839,000,000
Budget estimate, 1998	474,000,000
Committee recommendation	839,000,000

PROGRAM DESCRIPTION

This account consolidates the housing for the elderly under section 202; housing for the disabled under section 811; and public housing for Indian families. Under these programs the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing. Twenty-five percent of the funding provided for housing for the disabled is available for tenant-based assistance under section 8.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$839,000,000 for development of additional new subsidized housing. This is an increase of \$365,000,000 over the President's request for these important programs. Included in this recommendation is \$645,000,000 for capital advances for housing for the elderly and \$194,000,000 for capital advances for housing for the disabled. These amounts will maintain the current fiscal year levels of subsidized housing production for these two programs. Up to 25 percent of the funding allocated for housing for the disabled can be used to fund section 8 assistance for the disabled.

The Committee is concerned with the state of elderly housing, especially in light of departmental requests for reduced funding. The Committee directs HUD to report on the unmet need for elderly housing in the country, and the physical condition of existing elderly housing. HUD's report should also include information on what HUD can do to encourage new and innovative approaches to providing elderly housing that may reduce costs and increase efficiency. This may include approaches such as providing continuum of care service at residents' housing by facilitating onsite care by service providers.

MANUFACTURED HOUSING

The Committee commends the manufactured housing industry for its contribution to providing affordable, quality housing throughout the Nation. The manufactured housing industry contributes over \$23,300,000,000 annually to the economy. In 1995, some 339,000 manufactured homes were built, representing an increase of 11.7 percent from 1994. In addition, manufactured homes represent over 30 percent of all new homes sold in the market today, providing both choice and affordability.

HUD, as regulator for the manufactured housing industry, is urged to ensure that it has adequate staffing in the Department to meet the needs of this growing industry, especially since this program is largely self-funded from industry label fees. In addition,

the Committee is concerned about possible conflicts of interest for companies serving as design approval primary inspection agencies [DAPIA's]. The Department is directed to review the status of all DAPIA's and comply with requirements that prohibit parties from serving as DAPIA's if they have a potential conflict of interest.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Limitation on direct loans	Limitation on guaranteed loans	Administrative expenses
Appropriations, 1997	\$200,000,000	\$110,000,000,000	\$350,595,000
Budget estimate, 1998	200,000,000	110,000,000,000	333,421,000
Committee recommendation	200,000,000	110,000,000,000	333,421,000

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Limitation on direct loans	Limitation on guaranteed loans	Administrative expenses	Program costs
Appropriations, 1997	\$120,000,000	\$17,400,000,000	\$207,470,000	\$85,000,000
Budget estimate, 1998	120,000,000	17,400,000,000	222,305,000	81,000,000
Committee recommendation	120,000,000	17,400,000,000	222,305,000	81,000,000

PROGRAM DESCRIPTION

The Federal Housing Administration [FHA] fund covers the mortgage and loan insurance activity of about 40 HUD mortgage/loan insurance programs which are grouped into the mutual mortgage insurance [MMI] fund, cooperative management housing insurance [CMHI] fund, general insurance fund [GI] fund, and the special risk insurance [SRI] fund. For presentation and accounting control purposes, these are divided into two sets of accounts based on shared characteristics. The unsubsidized insurance programs of the mutual mortgage insurance fund and the cooperative management housing insurance fund constitute one set; and the general risk insurance and special risk insurance funds, which are partially composed of subsidized programs, make up the other.

Pursuant to the requirements for direct and guaranteed loan programs established in the Omnibus Budget Reconciliation Act of 1990 [OBRA], the administration is requesting a direct appropriation for administrative expenses in the "MMI/CMHI program" account of \$333,421,000. Amounts to fund this direct appropriation are to be derived from offsetting receipts transferred to a "CMHI receipt" account. For the "GI/SRI program" account a direct appropriation of \$222,305,000 is requested for administrative expenses, and \$81,000,000 is requested for a credit subsidy to cover the value of expected long-run costs associated with fiscal year 1997 insurance commitments.

The amounts for administrative expenses are to be transferred from the FHA program accounts to the HUD "Salaries and expenses" accounts.

Language is proposed to provide a commitment limitation amounting to \$110,000,000,000 in the "MMI/CMHI" account and \$17,400,000,000 in the "GI/SRI" account.

In addition, HUD plans to continue direct loan programs in 1998 for multifamily bridge loans and single family purchase money mortgages to finance the sale of certain properties owned by the Department. Temporary financing would be provided for the acquisition and rehabilitation of multifamily projects by purchasers who have obtained commitments for permanent financing from another lender. Purchase money mortgages would enable governmental and nonprofit intermediaries to acquire properties for resale to owner-occupants in areas undergoing revitalization. For the MMI Program, a loan limitation of \$200,000,000 is requested. For the GI/SRI Program, \$120,000,000 is requested as a loan limitation.

COMMITTEE RECOMMENDATION

The Committee has included the requested amounts for the "Mutual Mortgage Insurance Program" account: a limitation on guaranteed loans of \$110,000,000,000, a limitation on direct loans of \$200,000,000, and an appropriation of \$333,421,000 for administrative expenses. The administrative expenses appropriation will be transferred and merged with the sums in the Department's "Salaries and expenses" account.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1997:	
Limitation on guaranteed loans	\$130,000,000,000
Administrative expenses	9,383,000
Budget estimate, 1998:	
Limitation on guaranteed loans	130,000,000,000
Administrative expenses	9,383,000
Committee recommendation:	
Limitation on guaranteed loans	130,000,000,000
Administrative expenses	9,383,000

PROGRAM DESCRIPTION

The Government National Mortgage Association [GNMA], through the mortgage-backed securities program, guarantees privately issued securities backed by pools of mortgages. GNMA is a wholly owned corporate instrumentality of the United States within the Department. Its powers are prescribed generally by title III of the National Housing Act, as amended. GNMA is authorized by section 306(g) of the act to guarantee the timely payment of principal and interest on securities that are based on and backed by a trust, or pool, composed of mortgages that are guaranteed and insured by the Federal Housing Administration, the Farmers Home Administration, or the Department of Veterans Affairs. GNMA's

guarantee of mortgage-backed securities is backed by the full faith and credit of the United States.

In accord with the Omnibus Budget Reconciliation Act of 1990 [OBRA] requirements for direct and guaranteed loan programs, the administration is requesting \$9,383,000 for administrative expenses in the mortgage-backed securities program. Amounts to fund this direct appropriation to the "MBS program" account are to be derived from offsetting receipts transferred from the "Mortgage-backed securities financing" account to a Treasury receipt account.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on new commitments of mortgage-backed securities of \$130,000,000,000. This amount is the same level as proposed by the budget request. The Committee also has included \$9,383,000 for administrative expenses, the same as the budget request.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Appropriations, 1997	\$34,000,000
Budget estimate, 1998	39,000,000
Committee recommendation	34,000,000

PROGRAM DESCRIPTION

Title V of the Housing and Urban Development Act of 1970, as amended, directs the Secretary of the Department of Housing and Urban Development to undertake programs of research, studies, testing, and demonstrations relating to the Department's mission and programs. These functions are carried out internally and through grants and contracts with industry, nonprofit research organizations, educational institutions, and through agreements with State and local governments and other Federal agencies. The research programs focus on ways to improve the efficiency, effectiveness, and equity of HUD programs and to identify methods to achieve cost reductions. Additionally, this appropriation is used to support HUD evaluation and monitoring activities and to conduct housing surveys.

COMMITTEE RECOMMENDATION

The Committee recommends \$34,000,000 for research and technology activities in fiscal year 1998. This amount is the same as the 1997 level but is \$5,000,000 less than the budget request. HUD is requested to implement a demonstration to develop a system for tracking tenants and prospective tenants for purposes of tenant screening under public housing and section 8.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Appropriations, 1997	\$30,000,000
Budget estimate, 1998	39,000,000
Committee recommendation	30,000,000

PROGRAM DESCRIPTION

The fair housing activities appropriation includes funding for both the Fair Housing Assistance Program [FHAP] and the Fair Housing Initiatives Program [FHIP].

The Fair Housing Assistance Program helps State and local agencies to implement title VIII of the Civil Rights Act of 1968, as amended, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. The major objective of the program is to assure prompt and effective processing of title VIII complaints with appropriate remedies for complaints by State and local fair housing agencies.

The Fair Housing Initiatives Program is authorized by section 561 of the Housing and Community Development Act of 1987, as amended, and by section 905 of the Housing and Community Development Act of 1992. This initiative is designed to alleviate housing discrimination by increasing support to public and private organizations for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$30,000,000, of which \$20,000,000 is for the fair housing assistance program [FHAP] and no more than \$10,000,000 is for the fair housing initiatives program [FHIP]. The Committee is concerned that State and local agencies under FHAP should have the primary responsibility for identifying and addressing discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. It is critical that consistent fair housing policies be identified and implemented to insure continuity and fairness, and that States and localities continue to grow their understanding, expertise, and implementation of the law.

In addition, the Committee remains concerned that the HUD Office of Fair Housing and Equal Opportunity continues to pursue regulatory authority over the property insurance industry through the Fair Housing Act. While HUD has indicated that it does not intend to focus its regulatory authority on property insurance requirements, the Committee reminds the Department that the McCarran-Ferguson Act of 1945 explicitly states that, unless a Federal law specifically relates to the business of insurance, that law shall not apply where it would interfere with State insurance regulation. HUD assertion of authority regarding property insurance regulation contradicts this statutory mandate.

Moreover, HUD's insurance-related activities duplicate State regulation of insurance. Every State and the District of Columbia have laws and regulations addressing unfair discrimination in property insurance and are actively investigating and addressing discrimi-

nation where it is found to occur. HUD's activities in this area create an unwarranted and unnecessary layer of Federal bureaucracy.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

	Appropriation	FHA funds by transfer	GNMA funds by transfer	CGDB funds by transfer	Total
Appropriations, 1997	\$420,000,000	\$546,782,000	\$9,383,000	\$675,000	\$976,840,000
Budget estimate, 1998	451,000,000	544,443,000	9,383,000	1,000,000	1,005,826,000
Committee recommendation	400,000,000	544,443,000	9,383,000	1,000,000	954,826,000

PROGRAM DESCRIPTION

The recommendation includes a single "Salaries and expenses" account to finance all salaries and related expenses associated with administering the programs of the Department of Housing and Urban Development. These include the following activities:

Housing and mortgage credit programs.—This activity includes staff salaries and related expenses associated with administering housing programs, the implementation of consumer protection activities in the areas of interstate land sales, mobile home construction and safety, and real estate settlement procedures.

Community planning and development programs.—Funds in this activity are for staff salaries and expenses necessary to administer community planning and development programs.

Equal opportunity and research programs.—This activity includes salaries and related expenses associated with implementing equal opportunity programs in housing and employment as required by law and Executive orders and the administration of research programs and demonstrations.

Departmental management, legal, and audit services.—This activity includes a variety of general functions required for the Department's overall administration and management. These include the Office of the Secretary, Office of General Counsel, Office of Chief Financial Officer, as well as administrative support in such areas as accounting, personnel management, contracting and procurement, and office services.

Field direction and administration.—This activity includes salaries and expenses for the regional administrators, area office managers, and their staff who are responsible for the direction, supervision, and performance of the Department's field offices, as well as administration support in areas such as accounting, personnel management, contracting and procurement, and office services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$954,826,000 for salaries and expenses. This amount is \$22,014,000 less than the 1997 appropriation and \$51,000,000 less than the budget request. The appropriation includes the requested amount of \$544,443,000 transferred from various funds from the Federal Housing Administration, \$9,383,000 transferred from the Government National

Mortgage Association, and \$1,000,000 from the community development appropriation.

The Committee does not intend this reduction in HUD's salaries and expenses to result in further deficiencies in HUD's ability to administer its programs and financial responsibilities. Nor does the Committee expect the Department to contemplate RIF's or other draconian measures. Nevertheless, HUD recently released its new HUD 2020 management reform plan, another document of reinvention, which will need to be reviewed fully. The Committee expects HUD, before conference on the VA/HUD fiscal year 1998 appropriations bill, to identify fully all staffing costs, staffing reforms, and staffing changes for fiscal year 1998 through 2005, as well as a status report on HUD's contracting out, including a discussion of savings. Reductions in this account shall not result in RIF's, but need to reflect management reform and savings. HUD, however, needs to be more forthcoming on its staffing requirements. This request is consistent with the Government Performance and Results Act.

OFFICE OF INSPECTOR GENERAL
(INCLUDING TRANSFER OF FUNDS)

	Appropriation	FHA funds by transfer	Drug elimination grants transfer	Total
Appropriations, 1997	\$36,567,000	\$11,283,000	\$5,000,000	\$52,850,000
Budget estimate, 1998	36,567,000	11,283,000	10,000,000	57,850,000
Committee recommendation	36,567,000	11,283,000	10,000,000	57,850,000

PROGRAM DESCRIPTION

This appropriation would finance all salaries and related expenses associated with the operation of the Office of the Inspector General [OIG].

COMMITTEE RECOMMENDATIONS

The Committee recommends a funding level of \$57,850,000 for the Office of Inspector General. This amount is \$5,000,000 above the 1997 level, and the same as the budget request. This funding level includes \$11,283,000 by transfer from various FHA funds and \$10,000,000 from drug elimination grants, the same level as proposed in the budget request.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1997	\$15,500,000
Budget estimate, 1998	16,312,000
Committee recommendation	15,500,000

PROGRAM DESCRIPTION

This appropriation funds the Office of Federal Housing Enterprise Oversight [OFHEO], which was established in 1992 to regulate the financial safety and soundness of the two housing Govern-

ment sponsored enterprises [GSE's], the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a three-part capital standard for the GSE's, and gave the regulator enhanced authority to enforce those standards.

COMMITTEE RECOMMENDATION

The Committee recommends \$15,500,000 for the Office of Federal Housing Enterprise Oversight, which is \$812,000 less than the budget request. The Committee remains concerned that OFHEO continues to balloon as a bureaucracy, especially since Congress established this office as a small office intended to operate only as an early warning system in cases where the GSE's are subject to unacceptable financial risk. The Committee also is concerned that OFHEO has yet to develop risk-based capital standards for the GSE's, as required in its enabling act.

ADMINISTRATIVE PROVISIONS

SEC. 201. *Extenders*. Provides a number of public housing and section 8 reforms carried over from the VA/HUD appropriations bills for fiscal years 1996 and 1997.

SEC. 202. *Delay reissuance of vouchers and certificates*. Requires vouchers and certificates to be held by the public housing agency for 3 months before reissuance.

SEC. 203. *Financing adjustment factors*. Provides an incentive for refinancing projects financed with FAF bonds to lower the cost of section 8 assistance.

SEC. 204. *Annual adjustment factors*. Limits the rent adjustment calculation for section 8 projects to operating costs.

SEC. 205. Reprograms \$7,100,000 in HUD funds from an industrial park to 18th and Vine in Kansas City for a Negro Leagues Baseball Museum and a jazz museum.

SEC. 206. *Fair housing and free speech*. Prohibits prosecution of persons under the Fair Housing Act where person is engaged in lawful activity.

SEC. 207. *Account transition*. Requires HUD to hold all program recaptures subject to reprogramming.

SEC. 208. *HUD public notice and comment rulemaking*. Requires HUD to maintain public notice and comment rulemaking.

SEC. 209. *Brownfields as eligible CDBG activity*. Makes activities related to brownfields cleanup an eligible activity under CDBG.

SEC. 210. *Partial payment of claims on health care facilities*. Permits partial payment of claims on hospitals and health care facilities.

SEC. 211. *FHA multifamily mortgage credit demonstrations*. Extends HUD's multifamily mortgage insurance risk-sharing programs through fiscal year 1998.

SEC. 212. *Calculation of FHA downpayment*. Extends for fiscal year 1998 the FHA single family streamlined downpayment program for Alaska and Hawaii.

SEC. 213. *Section 8 mark-to-market multifamily reform*. Incorporates the section 8 mark-to-market reform bill, as passed by the

Senate on June 25, 1997, as subtitle B of title II of S. 947, the Balanced Budget Act of 1997. This comprehensive program would provide options for restructuring mortgages and lowering section 8 costs.

SEC. 214. *HOPE VI NOFA*. Provides some flexibility for a HOPE VI project in New York.

SEC. 215. Provides HUD flexibility to make rehabilitation grants and loans in disposing of HUD-owned and HUD-held properties. Nevertheless, the Committee is concerned about accountability in making rehabilitation grants and loans from the general and special risk insurance funds. HUD, therefore, is directed to report to the Committee on January 15, 1999, and August 15, 1999, on all rehabilitation grants and loans made under this authority, including a description of the requirements and criteria of each grant. It is expected that HUD is exercising this authority according to written guidelines or regulations in the Federal Register.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Appropriations, 1997	\$22,265,000
Budget estimate, 1998	23,897,000
Committee recommendation	23,897,000

PROGRAM DESCRIPTION

The American Battle Monuments Commission [ABMC] is responsible for the maintenance and construction of U.S. monuments and memorials commemorating the achievements in battle of our Armed Forces since April 1917; for controlling the erection of monuments and markers by U.S. citizens and organizations in foreign countries; and for the design, construction, and maintenance of permanent military cemetery memorials in foreign countries. The Commission maintains 24 military cemetery memorials on foreign soil; 17 monuments and memorials not a part of the cemeteries; and 4 bronze tablets. In addition, the Commission administers four large memorials on U.S. soil. It is presently charged with erecting a Korean and a World War II war veterans memorial in the Washington, DC, area.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$23,897,000 for the American Battle Monuments Commission, as requested by the administration. This is an increase of \$1,632,000 above the enacted level.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

Appropriations, 1997	
Budget estimate, 1998	
Committee recommendation	\$4,000,000

PROGRAM DESCRIPTION

The Chemical Safety and Hazard Investigation Board was authorized by the Clean Air Act Amendments of 1990 to investigate accidental releases of certain chemical substances resulting in serious injury, death, or substantial property damage.

COMMITTEE RECOMMENDATION

The Committee recommends \$4,000,000 for the Chemical Safety and Hazard Investigation Board, an increase of \$4,000,000 over the fiscal year 1997 level and the budget request.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM
ACCOUNT

Appropriations, 1997	\$50,000,000
Budget estimate, 1998	125,000,000
Committee recommendation	

PROGRAM DESCRIPTION

The community development financial institutions [CDFI] fund would provide grants, loans, and technical assistance to new and existing community development financial institutions such as community development banks, community development credit unions, revolving loan funds, and microloan funds. Recipient institutions would be required to support mortgage, small business, and economic development lending in currently underserved, distressed neighborhoods.

COMMITTEE RECOMMENDATION

The Committee recommends no funding for the "CDFI program" account within the Department of the Treasury. The Committee is deeply concerned with this program's track record of accountability with respect to previously appropriated funds. Until safeguards are implemented, the Committee is uncomfortable with recommending additional CDFI funding. The Committee also requests GAO to conduct an audit on how CDFI makes awards and tracks the use of its funding.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriations, 1997	\$42,500,000
Budget estimate, 1998	45,000,000
Committee recommendation	45,000,000

PROGRAM DESCRIPTION

The Commission is an independent regulatory agency that was established on May 14, 1973, and is responsible for protecting the public against unreasonable risks of injury from consumer products; assisting consumers to evaluate the comparative safety of consumer products; developing uniform safety standards for consumer products and minimizing conflicting State and local regulations; and promoting research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

In carrying out its mandate, the Commission establishes mandatory product safety standards, where appropriate, to reduce the unreasonable risk of injury to consumers from consumer products;

helps industry develop voluntary safety standards; bans unsafe products if it finds that a safety standard is not feasible; monitors recalls of defective products; informs and educates consumers about product hazards; conducts research and develops test methods; collects and publishes injury and hazard data, and promotes uniform product regulations by governmental units.

COMMITTEE RECOMMENDATION

The Committee recommends \$45,000,000 for the Consumer Product Safety Commission, the same as the budget estimate and \$2,500,000 above the current level.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1997	\$400,500,000
Budget estimate, 1998	546,500,000
Committee recommendation	400,500,000

PROGRAM DESCRIPTION

The Corporation for National and Community Service, a Corporation owned by the Federal Government, was established by the National and Community Service Trust Act of 1993 (Public Law 103-82) to enhance opportunities for national and community service and provide national service educational awards. The Corporation makes grants to States, institutions of higher education, public and private nonprofit organizations, and others to create service opportunities for a wide variety of individuals such as students, out-of-school youth, and adults through innovative, full-time national and community service programs. National service participants may receive educational awards which may be used for full-time or part-time higher education, vocational education, job training, or school-to-work programs.

The Corporation is governed by a board of directors and headed by the Chief Executive Officer of the Corporation. Board members and the Chief Executive Officer of the Corporation are appointed by the President of the United States and confirmed by the Senate.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$400,500,000 for the Corporation for National and Community Service. Of this amount, \$59,000,000 is for educational awards; \$215,000,000 is for grants under the National Service Trust, including the AmeriCorps program; \$5,500,000 is for the Points of Light Foundation; \$18,000,000 is for the Civilian Community Corps; \$43,000,000 is available for school-based and community-based service-learning programs; \$30,000,000 is for quality and innovation activities; \$25,000,000 is administrative expenses; and \$5,000,000 is for audits and other evaluations. The total amount appropriated and

each of the program earmarks are identical to the level appropriated for fiscal year 1997.

OFFICE OF INSPECTOR GENERAL

Appropriations, 1997	\$2,000,000
Budget estimate, 1998	2,500,000
Committee recommendation	3,000,000

PROGRAM DESCRIPTION

The Office of Inspector General within the Corporation for National and Community Service is authorized by the Inspector General Act of 1978, as amended. The goals of the Office are to increase organizational efficiency and effectiveness and to prevent fraud, waste, and abuse. The Office of Inspector General within the Corporation for National and Community Service was transferred to the Corporation from the former ACTION agency when ACTION was abolished and merged into the Corporation in April 1994.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,000,000 for the Office of Inspector General. This is \$1,000,000 more than the amount appropriated for this Office in fiscal year 1997 and \$500,000 more than the budget request.

U.S. COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

Appropriations, 1997	\$9,229,000
Budget estimate, 1998	9,380,000
Committee recommendation	9,320,000

PROGRAM DESCRIPTION

The Court of Veterans Appeals was established by the Veterans' Judicial Review Act. The court has exclusive jurisdiction to review decisions of the Board of Veterans' Appeals. It has the authority to decide all relevant questions of law, interpret constitutional, statutory, and regulatory provisions, and determine the meaning or applicability of the terms of an action by the Department of Veterans Affairs. It is authorized to compel action by the Department unlawfully withheld or unreasonably delayed. It is authorized to hold unlawful and set-aside decisions, findings, conclusions, rules and regulations issued or adopted by the Department of Veterans Affairs or the Board of Veterans' Appeals.

COMMITTEE RECOMMENDATION

The Committee recommends \$9,320,000 for the Court of Veterans Appeals, a decrease of \$60,000 below the budget estimate and an increase of \$91,000 above the 1997 level. The recommendation includes \$790,000 for the pro bono representation program.

The Committee's recommendation reflects full funding for the court's operations, and the revised estimate for the pro bono program, which is \$60,000 less than the amount originally proposed for fiscal year 1998 but an increase of \$90,000 over the fiscal year

1997 level. The Committee remains very supportive of the pro bono program and urges the Legal Services Corporation, which administers the program, to release grant funds to the pro bono consortium in an expeditious manner.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

Appropriations, 1997	\$11,600,000
Budget estimate, 1998	11,815,000
Committee recommendation	11,815,000

PROGRAM DESCRIPTION

Responsibility for the operation of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery is vested in the Secretary of the Army. As of September 30, 1992, Arlington and Soldiers' and Airmen's Home National Cemeteries contained the remains of 246,023 persons and comprised a total of approximately 628 acres. There were 3,353 interments and 1,662 inurnments in fiscal year 1995; 3,500 interments and 1,800 inurnments are estimated for the current fiscal year; and 3,500 interments and 1,900 inurnments are estimated for fiscal year 1997.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$11,815,000 for the Army's cemeterial expenses. This amount is \$215,000 above the 1997 enacted level.

ENVIRONMENTAL PROTECTION AGENCY

Appropriations, 1997	\$6,799,393,000
Budget estimate, 1998	7,645,493,000
Committee recommendation	6,975,920,000

GENERAL DESCRIPTION

The Environmental Protection Agency [EPA] was created through Executive Reorganization Plan No. 3 of 1970 designed to consolidate certain Federal Government environmental activities into a single agency. The plan was submitted by the President to the Congress on July 8, 1970, and the Agency was established as an independent agency in the executive branch on December 2, 1970, by consolidating 15 components from 5 departments and independent agencies.

A description of EPA's pollution control programs by media follows:

Air.—The Clean Air Act Amendments [CAA] of 1990 authorize a national program of air pollution research, regulation, prevention, and enforcement activities.

Water quality.—The Clean Water Act [CWA], as amended in 1977, 1981, and 1987, provides the framework for protection of the Nation's surface waters. The law recognizes that it is the primary responsibility of the States to prevent, reduce, and eliminate water

pollution. The States determine the desired uses for their waters, set standards, identify current uses and, where uses are being impaired or threatened, develop plans for the protection or restoration of the designated use. They implement the plans through control programs such as permitting and enforcement, construction of municipal waste water treatment works, and nonpoint source control practices. The CWA also regulates discharge of dredge or fill material into waters of the United States, including wetlands.

Drinking water.—The Safe Drinking Water Act [SDWA] of 1974, as amended in 1996, charges EPA with the responsibility of implementing a program to assure that the Nation's public drinking water supplies are free of contamination that may pose a human health risk, and to protect and prevent the endangerment of ground water resources which serve as drinking water supplies.

Hazardous waste.—The Resource Conservation and Recovery Act of 1976 [RCRA] mandated EPA to develop a regulatory program to protect human health and the environment from improper hazardous waste disposal practices. The RCRA Program manages hazardous wastes from generation through disposal.

EPA's responsibilities and authorities to manage hazardous waste were greatly expanded under the Hazardous and Solid Waste Amendments of 1984. Not only did the regulated universe of wastes and facilities dealing with hazardous waste increase significantly, but past mismanagement practices, in particular prior releases at inactive hazardous and solid waste management units, were to be identified and corrective action taken. The 1984 amendments also authorized a regulatory and implementation program directed to owners and operators of underground storage tanks.

Pesticides.—The objective of the Pesticide Program is to protect the public health and the environment from unreasonable risks while permitting the use of necessary pest control approaches. This objective is pursued by EPA under the Federal Insecticide, Fungicide, and Rodenticide Act [FIFRA] and the Federal Food, Drug, and Cosmetic Act [FFDCA] through three principal means: (1) review of existing and new pesticide products; (2) enforcement of pesticide use rules; and (3) research and development to reinforce the ability to evaluate the risks and benefits of pesticides.

Radiation.—The radiation program's major emphasis is to minimize the exposure of persons to ionizing radiation, whether from naturally occurring sources, from medical or industrial applications, nuclear power sources, or weapons development.

Toxic substances.—The Toxic Substances Control Act [TSCA] establishes a program to stimulate the development of adequate data on the effects of chemical substances on health and the environment, and institute control action for those chemicals which present an unreasonable risk of injury to health or the environment. The act's coverage affects more than 60,000 chemicals currently in commerce, and all new chemicals.

Multimedia.—Multimedia activities are designed to support programs where the problems, tools, and results are cross media and must be integrated to effect results. This integrated program encompasses the Agency's research, enforcement, and abatement activities.

Superfund.—The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA] established a national program to protect public health and the environment from the threats posed by inactive hazardous waste sites and uncontrolled spills of hazardous substances. The original statute was amended by the Superfund Amendments and Reauthorization Act of 1986 [SARA]. Under these authorities, EPA manages a hazardous waste site cleanup program including emergency response and long-term remediation.

Leaking underground storage tanks.—The Superfund Amendments and Reauthorization Act of 1986 [SARA] established the leaking underground storage tank [LUST] trust fund to conduct corrective actions for releases from leaking underground storage tanks that contain petroleum or other hazardous substances. EPA implements the LUST response program primarily through cooperative agreements with the States.

COMMITTEE RECOMMENDATION

The Committee recommends a total of \$6,975,920,000 for EPA. This is a decrease of \$669,573,000 below the budget request and an increase of \$176,527,000 above the current budget.

With the exception of funding for Superfund, the total amount recommended for EPA comes close to that suggested by the budget agreement. Significant increases are recommended in the areas of particulate matter research and monitoring, implementation activities associated with the new food quality and safe drinking water laws, leaking underground storage tank grants, State and tribal environmental assistance grants, and State revolving loan funds. Given that the Superfund Program remains a troubled program badly in need of reform and reauthorization, coupled with the constraints imposed by the budget allocation, justification could not be made to increase significantly funding for the Superfund Program.

The agency is directed to notify the Committee prior to each reprogramming in excess of \$500,000 between programs and activities, when those reprogrammings are for different purposes. The exceptions to this limitation are as follows: (1) for the “Environmental programs and management” account, Committee approval is required only above \$1,000,000; and (2) for the “State and tribal assistance grants” account, reprogramming of performance partnership grant funds is exempt from this limitation.

SCIENCE AND TECHNOLOGY

Appropriations, 1997 ¹	\$552,000,000
Budget estimate, 1998 ¹	614,269,400
Committee recommendation ¹	600,000,000

¹ Does not include transfer from Superfund account.

PROGRAM DESCRIPTION

EPA’s “Science and technology” account provides funding for the scientific knowledge and tools necessary to support decisions on preventing, regulating, and abating environmental pollution and to advance the base of understanding on environmental sciences. These efforts are conducted through contracts, grants, and coopera-

tive agreements with universities, industries, other private commercial firms, nonprofit organizations, State and local government, and Federal agencies, as well as through work performed at EPA's laboratories and various field stations and field offices.

COMMITTEE RECOMMENDATION

The Committee recommends \$600,000,000 for science and technology, an increase of \$48,000,000 over the enacted level, and a decrease of \$14,269,400 below the budget request. In addition, the Committee recommends the transfer of \$35,000,000 from the Superfund account, for a total of \$635,000,000 for science and technology.

The Committee has made the following changes to the budget request:

- + \$8,000,000 for a comprehensive extramural research initiative on particulate matter [PM], in addition to the \$26,600,000 in the budget request for PM research. The funds provided are to be used to create up to five university-based research centers selected through a competitive peer review process. The centers program should seek to address the most pressing unanswered questions involved in the air particulates field. A governing criteria for the selection of the proposed centers should be their ability to bring together public health scientists, environmental engineers, economists, and policy analysts to undertake intensive cost-benefit analysis of various PM control strategies. This initiative is to complement, and be closely coordinated with, the base PM research program.
- + \$2,000,000 for the Water Environment Research Foundation cooperative research program.
- + \$3,000,000 for the American Water Works Association Research Foundation.
- + \$1,750,000 to the National Jewish Medical and Research Center for research on the relationship between indoor and outdoor pollution and the development of respiratory diseases.
- + \$2,000,000 for the Lovelace Respiratory Institute to establish a National Environmental Respiratory Center to coordinate research and information transfer concerning health risks of breathing airborne contaminants in the environment.
- + \$1,000,000 for the Center for Air Toxic Metals at the Energy and Environmental Research Center.
- + \$1,000,000 for the Texas Regional Institute for Environmental Studies to identify and test new cost-effective environmental restoration technologies.
- + \$1,000,000 for the Institute for Environmental and Industrial Science to develop new technologies for controlling radioactive waste, solid waste, and other emissions.
- + \$2,500,000 for EPA's experimental program to stimulate competitive research [EPSCoR].
- + \$500,000 for the clean air status and trends network.
- + \$1,500,000 for Johns Hopkins University's School of Hygiene and Public Health to establish a National Center for Environmental Toxicology and Epidemiology. The center will advance the Nation's understanding of the effect of urban toxics on

human health, and assist in designing cost-effective preventive strategies focused on mitigating their adverse health effects.

- + \$1,000,000 to establish the Center for Estuarine and Coastal Ocean Environmental Research to coordinate and further ongoing coastal and environmental research being conducted at the University of South Alabama.
- + \$1,500,000 for the Integrated Petroleum Environmental Consortium.
- \$5,000,000 from the climate change action plan program, leaving \$17,000,000 in this account for this program, an increase of 7 percent over the fiscal year 1997 level.
- \$7,000,000 from the increase requested for graduate academic fellowships, leaving \$8,000,000.
- \$8,000,000 from the new Environmental Monitoring for Public Access and Community Tracking Program, leaving \$7,000,000 for this new initiative.
- \$21,019,400 as a general reduction.

The amount provided for Superfund research includes \$6,000,000 for the Mine Waste Technology Evaluation Program and Berkeley pit integrated demonstration activities through the National Environmental Waste Technology Testing and Evaluation Center, full funding for the Hazardous Substance Research Center, \$2,500,000 for the Gulf Coast Hazardous Substance Research Center, and not less than \$7,000,000 for the Superfund Innovative Technology Evaluation [SITE] Program. The Committee believes the SITE Program has been successful and there continues to be a significant need for innovative cleanup technologies. According to EPA's Science Advisory Board, the program's accomplishments have been impressive.

The Committee's recommendation includes full funding, \$36,000,000, for drinking water research, with priority given to research on microbial contamination.

With respect to the \$26,600,000 requested by the administration and recommended by the Committee for particulate matter research, EPA is directed to contract with the National Academy of Sciences to develop a research agenda to allocate these funds.

Although EPA will be issuing a revised standard for particulate matter, the Administrator has indicated that this standard will have no regulatory impact until after the next review which would occur in July 2002 under the requirements of the Clean Air Act. The Committee understands that substantial additional scientific information that would be useful in validating or revising the standard can be gathered through carefully directed scientific research before that date. Therefore, the Committee directs that the National Academy of Sciences convene an independent panel of scientists to provide recommendations for research priorities. The Administrator is to transmit the recommendations of this panel to Congress not later than February 1998 and be guided by the recommendations of the panel in selecting research projects to support with the appropriated funds. The Committee expects that this process would also allow comment by other interested parties, including appropriate Federal agencies and nongovernmental entities.

All particulate matter research activities are to be peer-reviewed, and should be appropriately balanced among extramural competi-

tive grants, cooperative agreements, or contracts to institutions of higher education, national and private sector laboratories, as well as intramural studies and contracts.

Finally, EPA is directed to report to the Committee on the specific plans for the PM research program as the program develops.

The Committee directs EPA to provide adequate resources to fund the university portion of the southern oxidants study on the formation of ozone pollution, its effects, and alternate strategies for its reduction.

The Committee continues to have concerns with the quality of research at EPA. Sound science should be the basis for EPA regulatory actions, and strong peer review procedures are a critical element of ensuring the best quality research. Within the last year the General Accounting Office found that EPA's implementation of the Agency's peer review policy was uneven. GAO found that in some cases peer review was not conducted at all, or aspects of the peer review policy were ignored. GAO found inadequate accountability and oversight to ensure that all work products which should be peer reviewed were, in fact, peer reviewed. GAO recommended that EPA ensure that staff and managers are educated as to (1) the need for and benefits of peer review, (2) what constitutes proper peer review practices, and (3) their peer review responsibilities; and that EPA expand the list of products nominated for peer review.

The Committee strongly supports GAO's recommendations and expects EPA will implement them. In response to GAO's report, the Deputy Administrator issued a memorandum to clarify and strengthen the peer review policy, which was a good first step. The Committee expects peer review will be a top priority within EPA and that mechanisms will be instituted to ensure that managers are held accountable for implementing the peer review policy. Within 90 days of enactment of this act, EPA is to submit a report addressing how it has responded to GAO's recommendations and the steps it has taken to ensure accountability for peer review policy implementation.

As part of its continuing interest in verification of cost-effective remediation technologies, the Committee is aware of the public-private sector effort in Hawaii to demonstrate and ultimately commercialize agriculturally based environmental remediation technologies. The diverse climatic and biologic conditions in this tropical state offer a range of verification and demonstration activities not possible in other parts of the United States. EPA should give strong consideration to funding a proposal by the Hawaii Institute of Tropical Agriculture and Human Resources to address this innovative means of environmental restoration.

The Committee is aware of ground water remediation technology which has been developed by the International Research Center for Groundwater Research. This technology shows great potential to reduce the costs of ground water remediation significantly. EPA should consider testing this technology through the environmental technology verification program.

The Committee urges EPA to give priority to the soil aquifer treatment research program for indirect potable reuse of highly

treated domestic wastewater being conducted in California and Arizona.

The Committee notes that the use of site-specific or precision farming has tremendous potential to improve ground water quality by minimizing runoff of excess agricultural chemicals. Yet much of the data gathered by global positioning satellites for site-specific farming uses has not been verified at the field level. EPA is strongly encouraged through the advanced measurement initiative to obtain the necessary satellite data and undertake a demonstration project at North Dakota State University comparing such satellite data to field-gathered data from the Oakes irrigation test area in southeast North Dakota.

The Committee notes with interest the innovative approach to clean air research being developed by the city of Houston in its Houston air excellence and leadership [HAXL] program, which seeks to identify ways in which air pollution control policy can be targeted toward the precise pollutants that cause the most serious health impacts in a particular city or region. This unique, multi-pollutant strategy aims to maximize health benefits and cost efficiency by focusing on the specific needs of each particular area. The Committee notes that the Houston area suffers some of the most severe and complex air quality problems in the United States. EPA is urged to provide support to this innovative program.

The Committee has not included proposed bill language relative to the environmental services fund.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Appropriations, 1997	\$1,752,221,000
Budget estimate, 1998	1,887,590,900
Committee recommendation	1,801,000,000

PROGRAM DESCRIPTION

The Agency's "Environmental programs and management" account includes the development of environmental standards; monitoring and surveillance of pollution conditions; direct Federal pollution control planning; technical assistance to pollution control agencies and organizations; preparation of environmental impact statements; compliance assurance; and assistance to Federal agencies in complying with environmental standards and insuring that their activities have minimal environmental impact.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,801,000,000 for environmental programs and management, an increase of \$48,779,000 above the 1997 level and a decrease of \$86,590,900 below the budget request.

The Committee has made the following changes from the budget request:

- + \$5,025,000 for rural water technical assistance activities, for a total of \$13,025,000, including \$7,900,000 for the National Rural Water Association; \$2,100,000 for the Rural Community Assistance Program; \$400,000 for the Groundwater Protection Council; \$75,000 for the National Groundwater Foundation;

- \$1,000,000 for the National Environmental Training Center; and \$1,550,000 for the small flows clearinghouse.
- + \$3,000,000 to continue the demonstration project involving leaking fuel tanks in rural Alaska villages.
- + \$250,000 for the Nature Conservancy of Alaska for protection of the Kenai River watershed.
- + \$1,250,000 to continue the onsite wastewater treatment demonstration program through the small flows clearinghouse, including efforts initiated last year in flood-ravaged areas.
- + \$3,000,000 for the Southwest Center for Environmental Research and Policy.
- + \$1,000,000 for the Sacramento River Toxic Pollutant Control Program.
- + \$500,000 for the continuation of the small water system cooperative initiative at Montana State University.
- + \$500,000 for a small public water system technology center at Western Kentucky University.
- + \$2,000,000 for the New York City watershed protection program.
- + \$750,000 for the Chesapeake Bay program to initiate a small watershed grants program for the implementation of cooperative tributary basic strategies that address the bay's water quality and living resource needs.
- + \$1,000,000 for the national decentralized water resources public-private capacity development project.
- + \$1,000,000 to continue the sediment decontamination technology in the New York-New Jersey harbor.
- + \$500,000 for the Treasure Valley hydrologic project.
- + \$2,500,000 for King County, WA, for a molten carbonate fuel cell demonstration project at the Renton wastewater treatment plant.
- + \$800,000 for the National Center for Vehicle Emissions Control and Safety to establish an On-Board Diagnostic Research Center.
- + \$500,000 to continue the Small Business Pollution Prevention Center at the University of Northern Iowa.
- + \$500,000 to continue the Compliance Assistance Center for Painting and Coating Technology.
- + \$200,000 to complete the cleanup of Five Island Lake.
- + \$500,000 for the Ala Wai Canal watershed improvement project.
- + \$400,000 to continue the Maui algal bloom project.
- + \$100,000 for the Design for the Environment for Farmers Program to address the unique environmental concerns of the American Pacific and the need to develop and adopt sustainable agricultural practices for these fragile tropical ecosystems.
- + \$1,500,000 for the Lake Champlain management plan.
- + \$600,000 for the final year of funding for the solar aquatic wastewater treatment demonstration in Burlington, VT, to be cost-shared by the participants. The Committee does not intend to recommend funding for additional solar aquatic wastewater treatment demonstrations in view of EPA's assessment that this technology does not appear to offer any economic advantages over conventional technologies.

- + \$1,000,000 for the Alabama Department of Environmental Management to coordinate a model water/wastewater operating training program. This program will not duplicate, but will build upon and coordinate with other similar technical assistance programs.
- + \$150,000 to establish a regional training center at the Kentucky Onsite Wastewater Center.
- + \$550,000 for the Idaho water initiative.
- + \$1,000,000 for Lake Weequahic cleanup efforts.
- + \$1,750,000 for the Three Rivers watershed protection demonstration project, to develop an overall master plan to eliminate more than 40 separate sanitary sewer overflows in the Three Rivers area of Allegheny County, PA.
- + \$750,000 to continue the Resource and Agricultural Policy Systems Program.
- + \$1,250,000 for the design of an innovative granular activated carbon water treatment project in Oahu.
- + \$500,000 for a small public water system technology center at the University of Missouri-Columbia.
- + \$2,000,000 for the Food and Agricultural Policy Research Institute's Missouri Watershed initiative project to link economic and environmental data with ambient water quality.
- + \$1,500,000 for the National Alternative Fuels Training Program.
- + \$500,000 for a study of dioxin levels in the Ohio River Basin.
- + \$300,000 for the California Urban Environmental Research and Education Center.
- + \$1,000,000 to continue the implementation of a wetlands-based potable water reuse program for the city of West Palm Beach.
- + \$700,000 for the Long Island Sound office.
- + \$2,000,000 for the University of Missouri Agroforestry Center to support the agroforestry floodplain initiative. The Committee understands that this is a partnership effort to develop and apply appropriate agroforestry systems to resist and mitigate the impacts of nonpoint source pollution and flooding on lands in the Mississippi and Missouri River basins.
- + \$300,000 for the Northeast States for coordinated air use management.
- \$10,000,000 from the increase requested for sustainable development challenge grants, leaving \$5,000,000 for this program.
- \$9,000,000 from the Montreal Protocol Facilitation Fund, leaving \$12,000,000.
- \$52,300,000 from the climate change action plan, leaving \$75,000,000 for this program, an increase of 7 percent above fiscal year 1997. The Committee notes that in a recent report, the General Accounting Office raised questions as to the accuracy of the reported reductions associated with certain of the climate change action plan programs, including the Green Lights Program. With respect to Green Lights, GAO found that the projected reductions are based on an assumption that the participants will upgrade a larger proportion of their space than they have thus far. The Committee continues to believe these programs do not merit the significant increases requested by the administration and that the outcomes of these

programs to date have fallen very short of agency goals. In addition, a report conducted by Resources for the Future on voluntary programs intended to reduce pollution found that such Federal programs “do not address most of the important problems with the pollution control system nor do they appear to contribute significantly to improving environmental quality or safety.”

- \$10,000,000 from the new environmental monitoring for public access and community tracking program.
- \$2,000,000 from rental costs, to reflect latest agency estimates.
- \$1,000,000 from GLOBE.
- \$44,915,900 as a general reduction.

The Committee continues to support all efforts to implement recommendations contained in the National Academy of Public Administration’s 1995 report, “Setting Priorities, Getting Results: A New Direction for EPA.” While supportive of EPA’s new planning, budgeting, and accountability system—which was put in place to meet NAPA’s recommendations as well as the requirements of the Government Performance and Results Act [GPRA]—the Committee is concerned that EPA’s fiscal year 1998 budget submission did not seem to reflect a new disciplined budget system. Further, much remains to be done to develop a meaningful, performance-oriented system of planning, budgeting, and accountability for agency programs and activities. In addition, at present there are many concerns with EPA’s draft strategic plan as it relates to GPRA requirements.

According to the General Accounting Office, “EPA faces long-term challenges to obtain the scientific and environmental information needed to support its new system fully. Although much scientific and environmental information has already been collected, many gaps exist, and the data are often difficult to compile because different data collection methods have been used. Likewise, much effort is still needed to identify, develop, and reach agreement on a comprehensive set of environmental measures to link the agency’s activities to changes in human health and environmental conditions.” EPA has tried previously to implement a planning, budgeting, and accountability system—without success. It is expected that EPA will afford a high priority to addressing these complex issues. EPA is directed to submit a report to the Committee within 90 days of enactment of this act, outlining its strategy, benchmarks, and timeline for addressing the system’s current shortcomings as described by GAO.

The Committee notes that NAPA will soon be releasing its evaluation of the steps EPA has taken to implement the NAPA recommendations. The Committee will give close attention to this evaluation and to the agency’s response, especially concerning the recent reorganization of agency planning and budgeting functions, reorganization of responsibilities for environmental statistics, and progress in providing regulatory and management flexibility that facilitate improved environmental performance. The Committee also directed the agency to begin work on draft legislation that would integrate its various statutory responsibilities. The Committee looks forward to receiving the Academy’s recommendations and those of the agency on this important issue.

The Committee is concerned with the proliferation of new initiatives at EPA over the past several years, which makes it increasingly difficult to focus on the highest priority areas. The Committee concurs with recommendations contained in an EPA management review that EPA should develop goals and objectives for agency initiatives and define measures of success for tracking progress. Any new initiatives should be considered through a risk-based planning, budgeting, and accountability system which affords as the highest priorities those activities offering the largest opportunity to reduce risk to human health and the environment.

The Committee is disappointed with EPA's recent decision to create a new Center for Environmental Information and Statistics within the Office of Policy, Planning, and Evaluation. NAPA recommended the creation of an independent office for environmental information and statistics to ensure that it be a neutral and credible data source. EPA's decision to place a center within OPPE is inconsistent with NAPA's recommendation. The Committee believes EPA should place the new Center for Environmental Information and Statistics directly and solely under the chief information officer to integrate and improve the quality of environmental statistics provided by the agency's various information systems and to be an authoritative source, independent of policy and regulatory activities, of credible statistics about environmental conditions.

The Committee continues to support a true partnership between EPA and the States in implementing the Nation's environmental management system. There are serious concerns with various actions taken by EPA recently which would suggest that EPA is not willing to recognize the States fully as partners. Since most of the implementation and enforcement of environmental programs occurs at the State level, the Committee expects EPA leadership will take decisive steps to devolve responsibility to the States, reduce oversight, provide flexibility, and treat States as equal partners.

The Committee believes EPA should play a stronger role in enhancing opportunities for industry to export environmental technologies to other countries. The Committee urges EPA to develop a strategy to coordinate and promote the export of environmental technology and services and coordinate such efforts with other Federal agencies. The Committee intends to track EPA's activities on this front.

The Committee is aware that EPA is in the process of dramatically expanding access to information it has collected across many of its program offices. The Agency is achieving this goal by enhancing its information systems to communicate information using computer networks, such as the Internet. These networks have provided EPA with an easy means of placing very large quantities of data into readily accessible open-source public data bases. The Committee recognizes that increased access to regulatory information can promote public awareness regarding the Nation's economy and environmental conditions. A more informed public may also be in a better position to evaluate Government programs. However, public data bases can be subject to abuses which could facilitate economic espionage, thereby eroding U.S. competitiveness in the global marketplace. To obtain a better understanding of how individual data elements can be collected from multiple data bases, in

a way that allows foreign competitors to successfully reverse engineer technologies and processes that would otherwise provide a competitive advantage to U.S. firms, the Committee directs GAO to undertake a study to:

- (1) Assess the extent to which EPA currently makes accessible (and plans to make accessible) to the public, information that is valuable to competitive intelligence agents who conduct reverse engineering or other means of economic espionage;

- (2) Identify the types of data that are of greatest value to competitive intelligence agents, and identify EPA's public data bases, if any, that contain these type of data;

- (3) Describe the processes employed by competitive intelligence agents who compile open-source data for competitive profiling, and estimate the costs associated with these processes;

- (4) Evaluate the threat to U.S. competitiveness, if any, posed by EPA's current and proposed public data bases;

- (5) Identify the scope of EPA's current protections of sensitive business information, and assess the adequacy of those protections; and

- (6) Recommend options for preventing the loss of sensitive economic and proprietary information of U.S. businesses through EPA's public data bases.

The Committee is aware of a unique proposal developed by Fort Scott, KS, for providing additional tertiary wastewater treatment via a constructed wetland which will improve the quality of the Marmaton River. EPA is directed to consider strongly funding such a proposal under section 104(b)(3) of the Clean Water Act.

The Committee strongly encourages EPA to promulgate the Cluster Rule for the pulp and paper industry. The pulp and paper industry has waited almost 4 years for this rule to be issued. The need for this rule is clear. Further delay will harm the environment and prevent industry from proceeding with capital planning.

The Committee urges EPA to form a citizens advisory council to address current waste removal plans as well as long-term plans for the Dalecarlia Treatment Plant.

The Committee urges EPA to give careful consideration to the establishment of a Small Public Water Systems Technology Assistance Center at West Virginia University and at the University of New Hampshire pursuant to provision of the Safe Drinking Water Act Amendments.

The Committee is aware that the Lake Champlain Basin Program has begun a sister lake partnership with Lake Orchid in the former Soviet Union. This initiative shows great promise and the Committee urges EPA to look to it as a model for its own program.

The Committee supports the full budget request for south Florida (Everglades) restoration activities (with the exception of opening a new EPA office in south Florida), the National Estuary Program, the Chesapeake Bay Program including a new air deposition initiative, and the Great Lakes national program office.

Within the National Estuary Program adequate funding should be provided to Sarasota Bay, Buzzards Bay, and Massachusetts Bay. The Committee directs EPA to fund the following programs at no less than current levels: the environmental finance centers, the water quality testing program along the New Jersey and New York

shorelines, the Great Waters Program, and the Environmental Research Laboratory.

The Committee is concerned that EPA may not be adhering carefully to the Environmental Programs Assistance Act with respect to making grants or cooperative agreements to utilize the talents of older Americans in providing technical assistance. The Committee urges EPA to make grants to and enter into cooperative agreements with organizations under the Environmental Programs Assistance Act if such organizations are designated by the Department of Labor under title V of the Older Americans Act. The Committee notes that Green Thumb, Inc., has an exemplary record of success under title V of the Older Americans Act.

The Committee notes the urgent problems associated with zebra mussel infestation in Lake Champlain, which threatens the water systems of 25 percent of Vermont's residents. EPA is urged to provide support to exploring new ways to control zebra mussels in Lake Champlain.

EPA is urged to provide assistance to the city of Gainesville, FL, for an innovative stormwater management project to protect the Floridian aquifer from stormwater runoff.

The Committee recognizes the special rigors imposed on residents of the Northwest Arctic Borough by harsh arctic environmental conditions and the lack of sanitation facilities. EPA is directed to conduct a feasibility study, in conjunction with the Corps of Engineers, for a potential pilot project demonstrating innovative alternatives to the existing haul-water drinking water and honey bucket human waste disposal systems, in consultation with the Public Health Service and the Indian Health Service.

The Committee is concerned that permitting for new oil and gas projects in Alaska not be delayed and that permits for these projects be processed in a timely and expeditious fashion. Given the importance of these new developments to the State of Alaska and the Nation, the Committee expects that the budget request accounts for the projected increased demand on permitting resources. Should the agency not be able to meet permit time lines for new developments in a timely and expeditious fashion, the Committee expects to receive from the agency a report and, if necessary, a reprogramming request to make necessary funds available to meet timely permit processing milestones.

The Committee is aware that the EPA continues to suggest that emissions from distilled spirits aging warehouses must be regulated under the Clean Air Act. The aging of distilled spirits is a natural process by which distilled spirit products derive their inherent characteristics, including color, taste, and aroma. Altering this aging process by imposing emission control technology on aging warehouses would inflict an unreasonable adverse effect on the maturation process for these products and thereby jeopardize the desired quality and uniqueness of each distilled spirits brand. Therefore, the Committee directs EPA to reevaluate their present position and work with the distilled spirits industry to assure that the quality of their products is not jeopardized because of unnecessary regulation and lack of flexibility on the part of the Agency.

The Committee notes that the Coordinated Tribal Water Quality Program in Washington is a model for demonstrating how tribes

can solve their water quality protection problems by coordinating with local, State, and Federal Government agencies. EPA is strongly urged to continue providing assistance to this model program.

The Committee urges EPA to continue to support within available funds the Sokaogon Chippewa community's efforts to assess the environmental impacts of a proposed sulfide mine project and contribute adequate and up-to-date information to Federal agencies reviewing the mine proposal.

The Committee has not included proposed bill language relative to the environmental services fund.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1997	\$28,500,000
Budget estimate, 1998	28,500,000
Committee recommendation	28,500,000

PROGRAM DESCRIPTION

The Office of Inspector General provides EPA audit and investigative functions to identify and recommend corrective actions of management, program, and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.

Trust fund resources are transferred to this account directly from the hazardous substance Superfund.

COMMITTEE RECOMMENDATION

The Committee recommends \$40,141,000 for the Office of Inspector General, the same as the budget request. The appropriation includes \$28,500,000 from the general fund in this account and \$11,641,000 from the Superfund trust fund. The trust fund resources will be transferred to the inspector general "General fund" account with an expenditure transfer.

BUILDINGS AND FACILITIES

Appropriations, 1997	\$87,220,000
Budget estimate, 1998	141,420,000
Committee recommendation	19,420,000

PROGRAM DESCRIPTION

The appropriation for buildings and facilities at EPA covers the necessary major repairs and improvements to existing installations which are used by the Agency. This appropriation also covers new construction projects when appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends \$19,420,000 for buildings and facilities. The decrease of \$122,000,000 below the request reflects the Committee's recommendation not to provide additional funds for the new Research Triangle Park [RTP] laboratory project at this time.

The Committee notes there are significant space and safety concerns associated with EPA's Edison Laboratory, which houses the national headquarters of the environmental response team as well as supporting EPA's region II routine analytic requirements. EPA is directed to assess whether this facility should be replaced, based on an overall assessment of EPA laboratory facility requirements nationwide and cost-benefit analyses of maintaining, replacing, or consolidating facilities. If appropriate, EPA should propose funding for this project in the fiscal year 1999 budget submission.

The Committee is aware of and interested in a recent proposal to construct a solid oxide fuel cell/gas turbine power system demonstration plant at EPA's new Fort Meade research facility. Such systems show great promise in producing and providing efficient, low polluting power resources. The Committee would, therefore, entertain a future budget request by the Agency to construct such a facility.

HAZARDOUS SUBSTANCE SUPERFUND
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1997	\$1,394,245,000
Budget estimate, 1998	2,094,245,000
Committee recommendation	1,400,000,000

PROGRAM DESCRIPTION

On October 17, 1986, Congress amended the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA] through the Superfund Amendments and Reauthorization Act of 1986 [SARA]. SARA reauthorized and expanded the hazardous substance Superfund to address the problems of uncontrolled hazardous waste sites and spills. Specifically, the legislation mandates that EPA: (1) provide emergency response to hazardous waste spills; (2) take emergency action at hazardous waste sites that pose an imminent hazard to public health or environmentally sensitive ecosystems; (3) engage in long-term planning, remedial design, and construction to clean up hazardous waste sites where no financially viable responsible party can be found; (4) take enforcement actions to require responsible private and Federal parties to clean up hazardous waste sites; and (5) take enforcement actions to recover costs where the fund has been used for cleanup.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,400,000,000 for Superfund. This represents an increase of \$5,755,000 above the current budget. The amount provided includes \$250,000,000 from general revenues, as authorized, and the balance from the trust fund.

The amount recommended includes the following:

- \$903,000,000 for the response program. This includes the President's full request for brownfields.
- \$174,000,000 for enforcement.
- \$35,000,000 for research and development.
- \$125,000,000 for management and support.
- \$68,000,000 for the Agency for Toxic Substances and Disease Registry, including \$2,500,000 for the Great Lakes fish con-

sumption study. In addition, ATSDR should provide adequate funds to continue the Dover Township, NJ, cancer cluster studies.

- \$55,500,000 for the National Institute of Environmental Health Sciences, including \$23,000,000 for worker training grants and \$32,500,000 for research.

- \$39,500,000 for other Federal agencies.

The amount provided is the same as that originally projected for fiscal year 1998 in the President's fiscal year 1997 budget. No sound explanation has been provided as to why this program became the administration's highest EPA priority for fiscal year 1998 and merits a 50-percent increase in funding. It has generally been recognized that funds invested in this program yield relatively little reduction in risk to human health and the environment compared to investments targeted at addressing other environmental problems.

The Committee has numerous concerns with the Superfund budget request in addition to the fact that on a risk continuum, the program ranks relatively low. First, there are many questions with whether EPA could allocate effectively and appropriately the 50-percent increase it has requested. The Association of State and Territorial Solid Waste Management Officials stated: "We don't know whether there is enough pending work for the full \$700,000,000 in additional funds requested in fiscal year 1998, nor that the infrastructure exists to spend it effectively." Indeed, EPA's budget request for Superfund was premised on a resource methodology—not actual site data—which was developed to support a goal of achieving 900 site completions by the year 2000. The methodology uses inflated pricing factors, according to Congressional Budget Office analysis, and has other significant flaws raising serious questions about its usefulness.

The Committee is also troubled by recent findings of the General Accounting Office relative to Superfund administrative reforms. GAO found that EPA has not yet demonstrated accomplishments for most reforms despite EPA's claims that the reforms have resulted in significant, fundamental and demonstrable changes in the program. GAO also found that the implementation of the administrative reforms was inconsistent.

GAO has also reported that approximately \$250,000,000 is available in unspent obligated funds in the Superfund Program to be recovered from over 6,000 completed work orders and assistance agreements. EPA is directed to provide necessary resources and incentives to enhance its deobligation efforts, so as to increase resources available for site cleanups.

While the Committee is supportive of the goal of accelerating site cleanups and completion rates, it cannot support a major funding hike in the Superfund Program prior to the enactment of reauthorization legislation and the correction of serious program deficiencies which have lead to the General Accounting Office's designation of Superfund as a high risk program. The chairman of the Environment and Public Works Committee has stated that: "It would be unwise and irresponsible for Congress to appropriate significantly increased funding for Superfund until we complete the task of reauthorization and can be sure that the money will be

used to accelerate the pace of cleanup and protect our citizens.” The Committee concurs with this recommendation. Upon enactment of legislation reauthorizing Superfund, the Committee will promptly consider increasing funds for this program.

The Committee expects EPA will continue using a risk-based approach to allocating funds within this program, ensuring those sites posing the most significant threats to human health and the environment are addressed first and as expeditiously as possible. EPA is directed to provide its risk-based ranking of remedial and removal actions within 30 days of enactment of this act.

The Committee has included bill language delaying the availability of \$100,000,000 until September 1, 1998. This language was included in the fiscal year 1997 Superfund appropriation and is not anticipated to have a programmatic impact.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1997	\$60,000,000
Budget estimate, 1998	71,210,700
Committee recommendation	65,000,000

PROGRAM DESCRIPTION

The Superfund Amendments and Reauthorizations Act of 1986 [SARA] established the leaking underground storage tank [LUST] trust fund to conduct corrective actions for releases from leaking underground storage tanks containing petroleum and other hazardous substances. EPA implements the LUST program through State cooperative agreement grants which enable States to conduct corrective actions to protect human health and the environment, and through non-State entities including Indian tribes under section 8001 of RCRA. The trust fund is also used to enforce responsible parties to finance corrective actions and to recover expended funds used to clean up abandoned tanks.

COMMITTEE RECOMMENDATION

The Committee recommends a budget of \$65,000,000 for the Leaking Underground Storage Tank Program, an increase of \$5,000,000 over the 1997 enacted level.

The Committee has recommended an increase for this program in view of the December 1998 deadline for compliance with underground storage tank upgrade requirements, and the attendant increase in enforcement and other responsibilities on the part of the States. This program has resulted in important environmental progress in cleaning up leaking underground storage tanks, one of the major sources of ground water contamination. The Committee directs that not less than 85 percent of the funds provided be allocated to the States.

The Committee opposes suggestions by EPA to utilize LUST fund moneys for other EPA programs such as the Underground Storage Tank Program, Underground Injection Control Program, and the Groundwater Protection Program, unless there is prior authorization for such use. While protecting the Nation’s ground water supplies from contamination is vitally important, it is not appropriate

to tap the LUST trust fund for the purposes proposed. Given the approaching compliance deadlines and the need for greater State assistance, it is the intent of the Committee to make every effort to give States the maximum amount of money possible for this program.

The Committee recommends bill language which limits administrative expenses to \$7,500,000.

OILSPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1997	\$15,000,000
Budget estimate, 1998	15,000,000
Committee recommendation	15,000,000

PROGRAM DESCRIPTION

This appropriation, authorized by the Federal Water Pollution Control Act of 1987 and amended by the Oil Pollution Act of 1990, provides funds for preventing and responding to releases of oil and other petroleum products in navigable waterways. EPA is responsible for: directing all cleanup and removal activities posing a threat to public health and the environment; conducting inspections, including compelling responsible parties to undertake clean-up actions; reviewing containment plans at facilities; reviewing area contingency plans; pursuing cost recovery of fund-financed cleanups; and conducting research of oil cleanup techniques. Funds are provided through the oilspill liability trust fund established by the Oil Pollution Act and managed by the Coast Guard.

COMMITTEE RECOMMENDATION

The Committee recommends \$15,000,000 for the oilspill response trust fund, the same as the budget request and the current level. The Committee included bill language limiting administrative expenses to \$8,500,000.

STATE AND TRIBAL ASSISTANCE GRANTS

Appropriations, 1997	\$2,910,207,000
Budget estimate, 1998	2,793,257,000
Committee recommendation	3,047,000,000

PROGRAM DESCRIPTION

The "State and tribal assistance grants" account funds grants to support the State revolving fund programs; State, tribal, regional, and local environmental programs; and special projects to address critical water and waste water treatment needs.

This account funds the following infrastructure grant programs: State revolving funds; United States-Mexico Border Program; colonias projects; and Alaska Native villages.

It also contains the following environmental grants, State/tribal program grants, and assistance and capacity building grants: (1) Nonpoint source (sec. 319 of the Federal Water Pollution Control Act); (2) water quality cooperative agreements (sec. 104(b)(3) of FWPCA); (3) public water system supervision; (4) air resource assistance to State, local, and tribal governments (sec. 105 of the

Clean Air Act); (5) radon State grants; (6) water pollution control agency resource supplementation (sec. 106 of the FWPCA); (7) wetlands program implementation; (8) underground injection control; (9) Pesticides Program implementation; (10) lead grants; (11) hazardous waste financial assistance; (12) pesticides enforcement grants; (13) pollution prevention; (14) toxic substances enforcement grants; (15) Indians general assistance grants; and, (16) underground storage tanks. The funds provided in this account, exclusive of the funds for the SRF and the special water and waste water treatment projects, may be used by the Agency to enter into performance partnerships with States and tribes rather than media-specific categorical program grants, if requested by the States and tribes.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,047,000,000 for State and tribal assistance grants, an increase of \$253,743,000 over the budget request and \$136,793,000 over the enacted level.

The Committee's recommendation includes the following:

- \$725,000,000 for performance partnership/categorical grants and associated program support. The increase of \$10,000,000 over the request is to be allocated for air grants in view of the critical and increasing responsibilities of State air quality agencies, including monitoring for fine particles and data collection activities. Funding for these activities should be awarded under section 103 of the Clean Air Act.
- \$725,000,000, the budget request, for drinking water State revolving funds.
- \$1,350,000,000 for clean water State revolving funds, an increase of \$275,000,000 above the budget request.
- \$150,000,000 for water and wastewater projects on the United States-Mexico border, including \$50,000,000 for colonias in Texas. Funds for the colonias shall be matched by State funds from State resources at 20 percent of the Federal appropriation.
- \$15,000,000 for rural and Alaskan Native villages to address the special water and wastewater treatment needs of thousands of households that lack basic sanitation.
- \$82,000,000 for special needs infrastructure grants, as follows:
 - \$7,000,000 for wastewater facility and sanitary system improvements in Burlington, IA.
 - \$7,150,000 for export pipeline replacement for protection of Lake Tahoe, CA.
 - \$5,000,000 to implement combined sewer overflow [CSO] projects in Richmond (\$2,500,000) and Lynchburg, VA, (\$2,500,000).
 - \$7,000,000 for the Ashley Valley, UT, sewer management board for wastewater improvements.
 - \$1,000,000 to rehabilitate water and sewer systems in Ogden, UT.
 - \$4,000,000 for Jackson County, MS, water supply system improvements.
 - \$50,000 for water and sewer improvements for the city of Kinloch, MO.

- \$1,200,000 for water and wastewater improvements in the areas of east Mesa and west Mesa in Las Cruces, NM.
- \$5,000,000 for water system improvements in the Virgin Valley Water District, NV.
- \$2,000,000 for the town of Epping, NH, for wastewater treatment upgrades.
- \$4,300,000 for wastewater improvements in Queen Annes County, MD, (\$2,300,000) and biological nutrient removal of sewage on the Pocomoke River, MD, (\$2,000,000).
- \$6,000,000 for water/wastewater improvements in the Moreland/Riverside area of Bingham County (\$3,000,000); the city of Rupert (\$2,000,000); and the Rosewell and Homedale areas (\$1,000,000) of Idaho.
- \$5,000,000 for Missoula, MT, sewer system improvements.
- \$1,700,000 for Essex County, MA, water/sewer improvements.
- \$3,000,000 for the Milton, VT, wastewater treatment plant project.
- \$5,000,000 for sewage infrastructure improvements for Connellsville and Bullskin Townships in Fayette, PA, (\$2,500,000) and Fallowfield Township, PA, (\$2,500,000).
- \$6,300,000 for wastewater treatment improvements in Pulaski County (\$5,000,000) and Kingdom City (\$1,300,000), MO.
- \$8,000,000 for the Upper Savannah Council of Governments for wastewater facility improvements for the Savannah Valley regional sewer project in Abbeville, McCormick, and Edgefield Counties, SC.
- \$3,300,000 for water system improvements in Jackson County (\$800,000), Washington County (\$2,000,000), and Cleburne County (\$500,000), AL.

EPA is to work with the grant recipients on appropriate cost-share arrangements consistent with past practice.

The Committee notes that the amounts provided for the drinking water State revolving funds are available for national set-asides outlined in section 1452; however, health effects research is funded in the “Science and technology” account as proposed by the Administration.

The Committee recognizes the continuing importance of addressing the substandard health conditions of 350,000 legal residents of colonias, border-region rural subdivisions that lack adequate drinking water and wastewater service. In order to continue ongoing efforts to meet the residents’ needs, \$50,000,000 is recommended for grants to the State of Texas, which shall be matched by State funds from State resources at 20 percent of the Federal appropriation. The match requirement may be fulfilled through the commitment of State funds for either loans or grants for construction of wastewater or water systems serving colonias and the match may also consist of payment on bond interest associated with loans or grants for construction of wastewater and water systems. These terms of the match requirement shall also apply to all prior appropriated funds for colonias.

The Committee understands that the primary environmental and public health problem in the El Paso, TX, region is the rapid deple-

tion of the ground water aquifer because of a lack of year-round surface water supply. El Paso, in concert with the Texas-New Mexico Water Commission and in conjunction with Mexico, is working to resolve this problem. To support this effort, the Committee urges that \$3,000,000 from the border infrastructure fund be allocated to El Paso for use in its Rio Grande environmental monitoring program and \$2,000,000 be allocated for the Federal share for construction of the Jonathan Rogers plant.

The Committee has included bill language allowing States to cross-collateralize their clean water and drinking water State revolving funds. This language makes explicit that funds appropriated to the SRF's may be used as common security in a bond issue for both SRF's, ensuring maximum opportunity for leveraging these funds.

WORKING CAPITAL FUND

The Committee has included bill language, as proposed by the administration, which makes permanent EPA's working capital fund authority to institutionalize fee-for-service as the mechanism to fund certain administrative services and strengthen customer office accountability for administrative support in carrying out the agency's mission.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Appropriations, 1997	\$4,932,000
Budget estimate, 1998	4,932,000
Committee recommendation	4,932,000

PROGRAM DESCRIPTION

The Office of Science and Technology Policy [OSTP] was created by the National Science and Technology Policy, Organization, and Priorities Act of 1976 (Public Law 94-238) and coordinates science and technology policy for the White House. OSTP provides authoritative scientific and technological information, analysis, and advice for the President, for the executive branch, and for Congress; participates in formulation, coordination, and implementation of national and international policies and programs that involve science and technology; maintains and promotes the health and vitality of the U.S. science and technology infrastructure; and coordinates research and development efforts of the Federal Government to maximize the return on the public's investment in science and technology and to ensure Federal resources are used efficiently and appropriately.

OSTP provides support for the National Science and Technology Council [NSTC].

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,932,000 for the Office of Science and Technology Policy. This amount is the same as the budget request and the current level.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF
ENVIRONMENTAL QUALITY

Appropriations, 1997	\$2,436,000
Budget estimate, 1998	3,020,000
Committee recommendation	2,436,000

PROGRAM DESCRIPTION

The Council on Environmental Quality/Office of Environmental Quality was established by the National Environmental Policy Act and the Environmental Quality Improvement Act of 1970. The Council serves as a source of environmental expertise and policy analysis for the White House, Executive Office of the President agencies, and other Federal agencies. CEQ promulgates regulations binding on all Federal agencies to implement the procedural provisions of the National Environmental Policy Act and resolves inter-agency environmental disputes informally and through issuance of findings and recommendations.

COMMITTEE RECOMMENDATION

The Committee has provided \$2,436,000 for the Council on Environmental Quality, the same as the current level.

The Committee has not included proposed bill language regarding the number of CEQ council members. This matter should be addressed by the authorizing committee.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

(TRANSFER OF FUNDS)

Appropriations, 1997 .....	.....
Budget estimate, 1998	\$34,365,000
Committee recommendation	34,365,000

PROGRAM DESCRIPTION

Fiscal year 1998 is the first year the Committee has received a funding request for the Office of Inspector General [OIG], Federal Deposit Insurance Corporation [FDIC]. Prior to 1998, the FDIC inspector general's budgets have been approved by the FDIC's Board of Directors from deposit insurance funds as part of FDIC's annual operating budget that is proposed by the FDIC Chairman. A separate appropriation more effectively ensure the independence of the OIG.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$34,365,000 for the FDIC inspector general, which are to be derived from the bank insurance fund, the savings association insurance fund, and the FSLIC resolution fund.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Appropriations, 1997	¹ \$5,103,556,000
Budget estimate, 1998	788,588,000
Committee recommendation	788,588,000

¹ Includes \$3,300,000,000 in supplemental appropriations for disaster relief.

GENERAL DESCRIPTION

FEMA is responsible for coordinating Federal efforts to reduce the loss of life and property through a comprehensive risk-based, all hazards emergency management program of mitigation, preparedness, response, and recovery.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$788,588,000 for the Federal Emergency Management Agency. This is a decrease of \$4,314,998,000 below the enacted level owing largely to the disaster relief supplemental appropriation of fiscal year 1997.

DISASTER RELIEF

Appropriations, 1997	¹ \$4,620,000,000
Budget estimate, 1998	320,000,000
Committee recommendation	320,000,000

¹ Includes \$3,300,000,000 in supplemental appropriations.

PROGRAM DESCRIPTION

Federal disaster assistance is a nationwide program operated pursuant to the Stafford Act. FEMA is authorized to provide Federal assistance to supplement the efforts and resources of State and local governments in response to major disasters and emergencies. Funds may be made available directly to a State or to other Federal agencies as reimbursement of expenditures in disaster relief work performed under this authority. Funds and other assistance may also be made available to individuals, families, and businesses for disaster related needs and expenses. In addition, a variety of other Federal assistance is coordinated under this program.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$320,000,000 for FEMA disaster relief.

The Committee continues to be deeply troubled by the escalating cost of FEMA disaster relief. Since fiscal year 1995, the VA, HUD, and Independent Agencies Subcommittee has been forced to rescind or reduce funds totaling more than \$10,000,000,000 to accommodate the burgeoning requirements in the FEMA disaster relief program. Yet there remains little accountability for expenditures, inadequate financial controls, and far too much awarded to low-priority projects such as the refurbishment of golf courses and stadiums.

While FEMA did not meet its commitment to propose legislation codifying objective disaster criteria, the Committee commends FEMA for finally submitting a legislative proposal to begin curbing disaster relief expenditures. Consistent with FEMA's proposal and to begin to control disaster relief expenditures, bill language has

been included prohibiting the expenditure of funds for trees and other natural features belonging to State and local governments that are located within parks and recreational areas, as well as on the grounds of other publicly owned property; parks, recreational areas, marinas, golf courses, stadiums, arenas, or other similar facilities which generate any portion of their operational revenue through user fees, rents, admission charges, or similar fees; or beaches. These restrictions are intended to serve as an interim measure in the anticipation of enactment of comprehensive amendments to the Stafford Act. The Committee urges the legislative committees to take prompt action on the proposed Stafford Act amendments.

The Committee notes that the FEMA inspector general is finalizing a review of FEMA's seismic hazard mitigation pilot for hospitals [SHMPH], implemented administratively by FEMA following the Northridge earthquake. The Committee is extremely troubled that almost \$900,000,000 in excess of what would have been approved through FEMA's normal damage survey report process has been approved through this program, without adequate justification. In addition, it appears that section 404 funding provided to SHMPH grantees may duplicate funding grantees are already receiving through the SHMPH. Also, eligibility criteria appear to have been inconsistently applied. The Committee directs FEMA to respond expeditiously to the inspector general's review, and to submit its plan for implementing the inspector general's recommendations to the Committee within 30 days of the issuance of the final report.

The Committee is concerned that FEMA has not updated the standard it uses to determine when to increase the Federal share of disaster costs since 1985. Moreover, the per capita threshold currently used to determine whether to increase the Federal share is not in formal FEMA regulations. The Committee expects FEMA to take action on this matter and report to the Committee within 90 days on actions taken.

The Committee is concerned about the Agency's practice at times of approving damage survey reports without adequately taking into consideration insurance coverage, as was the case in the county of Kauai, following Hurricane Iniki. Further, FEMA's policies should do everything to encourage, not discourage, States' efforts to minimize future losses and reduce the expenditure of Federal funds, such as strong insurance requirements. The Committee directs FEMA to provide a full report within 30 days of enactment of this act outlining and justifying its actions relative to the county of Kauai and the steps it will take to improve the DSR process to ensure insurance coverage is appropriately accounted for when the DSR is approved.

The Committee notes that FEMA has recently proposed legislation authorizing a new program which would provide predisaster mitigation funds to communities. The proposed program is intended to leverage additional Federal, State, local, and private sector resources to address the full range of vulnerabilities of the public and private sectors in high-risk areas. The Committee strongly supports this concept, and urges the authorizing committees to take action promptly on the proposed legislation.

The Committee recognizes the work that FEMA has done with the State of Maryland's western Maryland flood task force. The Committee recommends FEMA consider using the task force as a model for work in other States in identifying disaster mitigation opportunities. In addition, upon enactment of and when appropriations are made available for, the predisaster mitigation legislation, FEMA should work with the State of Maryland to fund mitigation measures which were identified by the western Maryland flood task force.

The Committee recognizes the need for better coordination among Federal agencies and departments during the long-term recovery process following a natural disaster. The current lack of formal coordination of long-term recovery efforts stands in contrast to the recent experience of effective short-term coordination by FEMA. Accordingly, the administration is requested to submit a plan to Congress to provide for the designation of a single agency with the responsibility and authority to coordinate all long-term recovery efforts among the various participating Federal agencies. In addition, the Committee encourages the legislative committees to examine this important issue.

The Committee commends FEMA for its efforts to cooperate with State disaster service agencies and the success of its State assessment pilot project in northern Idaho, where State assessments replaced lengthy Federal environmental assessments. Such task-sharing could result in significantly reducing both recovery time and costs. Accordingly, the Committee directs FEMA to continue, and to expand this program of relying on State assessments whenever possible.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

(LIMITATION ON DIRECT LOANS)

STATE SHARE LOAN

	Program account	Administrative expenses
Appropriations, 1997	\$1,385,000	\$548,000
Budget estimate, 1998	1,495,000	341,000
Committee recommendation	1,495,000	341,000

PROGRAM DESCRIPTION

Under the State Share Loan Program, FEMA may lend or advance to an eligible applicant or State the portion of assistance for which the applicant is responsible under cost-sharing provisions of the Stafford Act. To be deemed eligible, the Governor must demonstrate, where damage is overwhelming and severe, that the State is unable to assume its financial responsibility to meet the cost share.

COMMITTEE RECOMMENDATION

For the State Share Loan Program, the Committee has provided \$25,000,000 in loan authority and \$341,000 in administrative ex-

penses. For the cost of subsidizing the appropriation, the bill includes \$1,495,000.

SALARIES AND EXPENSES

Appropriations, 1997	\$170,500,000
Budget estimate, 1998	171,773,000
Committee recommendation	171,773,000

PROGRAM DESCRIPTION

The salaries and expenses appropriation comprises two activities:
Program support.—This activity provides for staff and supporting resources to administer the Agency's various programs at the headquarters, field, and regional levels. The salaries and expenses for flood plain management under mitigation programs and flood insurance operations are provided by transfer from the national flood insurance fund.

Executive direction.—This activity provides staff and supporting resources for the general management and administration of the Agency in legal affairs, congressional and public affairs, personnel, and financial management.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request, \$171,773,000, for FEMA salaries and expenses. This is \$1,273,000 above the current level.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1997	\$4,673,000
Budget estimate, 1998	4,803,000
Committee recommendation	4,803,000

PROGRAM DESCRIPTION

The Office of the Inspector General [OIG] conducts, supervises, and coordinates all audits, inspections, and investigations. The OIG supervises and coordinates other activities in the Agency and between the Agency and other Federal, State, and local government agencies whose purposes are to: (a) promote economy and efficiency; (b) prevent and detect fraud and mismanagement; and (c) identify and prosecute people involved in fraud or mismanagement.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$4,803,000 for the Office of the Inspector General an increase of \$130,000 above the enacted level.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Appropriations, 1997	\$218,701,000
Budget estimate, 1998	202,146,000
Committee recommendation	202,146,000

PROGRAM DESCRIPTION

The emergency management planning and assistance appropriation provides resources for the following activities which were described previously: Response and recovery; preparedness, training, and exercises; fire prevention and training; operations support; mitigation programs; and executive direction. Flood plain management activity and flood insurance operations are funded by transfer from the national flood insurance fund in fiscal year 1994.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$202,146,000 for emergency management planning and assistance. This is a reduction of \$16,555,000 below the 1997 level.

The reduction below the fiscal year 1997 level is due to the conclusion of several initiatives such as the national arson prevention initiative.

The Committee has made the following changes to the budget request:

- + \$2,900,000 above the budget request for implementation of the dam safety program including \$1,000,000 for incentive grants to States to upgrade their dam safety program; \$500,000 for training programs for State dam safety inspectors; \$1,000,000 for research in dam safety; and \$400,000 for administration of the program, as authorized by the National Dam Safety Program Act of 1996.
- + \$3,000,000 above the budget request for State and local assistance through comprehensive cooperative agreements.
- \$5,900,000 as a general reduction.

The Committee remains concerned with the Chemical Stockpile Emergency Preparedness Program [CSEPP]. In yet another critical review of this program, GAO has found that after 9 years and funding of \$431,400,000, States and local communities surrounding the chemical stockpile storage sites still lack some items critical to responding to a chemical stockpile emergency. The program has had a history of management weaknesses, including fragmented and ill-defined roles and responsibilities between the Army and FEMA, imprecise planning guidance, poor coordination and communications, and inadequate financial data and internal controls. To address the long-standing management problems with this program, several proposals currently are under consideration. The Committee expects a proposal for resolution of the concerns cited by GAO will be submitted prior to the House-Senate conference on this legislation.

FEMA in cooperation with the National Institute of Building Sciences sponsored a comprehensive effort to establish a universal methodology capable of predicting damages and loss of life caused by natural hazards. This effort resulted in a computer program called HAZUS. The Committee is aware of the tremendous value of this product and urges FEMA to continue efforts to develop HAZUS, including sponsoring projects to build accurate data bases to be used in the HAZUS program. The University of South Alabama has proposed such a project. In addition, FEMA should consider supporting a project to demonstrate how the general loss in-

formation presented by HAZUS could be used to create regional earthquake planning scenarios for response and recovery planning.

The Committee believes the strategic plan for research submitted to FEMA by the National Association of Homebuilders Research Center can play an important role in assisting FEMA to understand better the application of structural engineering standards to the construction of housing and the performance of housing under natural hazard conditions. The Committee applauds the work of the research center in securing industry support for 50 percent of this 5-year \$4,000,000 research plan and urges FEMA to include this plan as part of its ongoing predisaster mitigation efforts.

The Committee understands that FEMA has not offered support for the Pittsford, VT, Fire Academy effort to expand training to rail and toxic material accidents. The Committee recommended support for this project in fiscal year 1996 and urges FEMA to follow through on that recommendation in fiscal year 1998.

FEMA is encouraged to support the Coastal Region Development Center's efforts to develop a new model plan for southeast Georgia and other coastal States for hurricane evacuation mitigation preparedness.

The Committee supports the full budget request for the U.S. Fire Administration and National Fire Academy.

EMERGENCY FOOD AND SHELTER

Appropriations, 1997	\$100,000,000
Budget estimate, 1998	100,000,000
Committee recommendation	100,000,000

PROGRAM DESCRIPTION

The Emergency Food and Shelter Program originated as a one-time emergency appropriation to combat the effects of high unemployment in the emergency jobs bill (Public Law 98-8) which was enacted in March 1983. It was authorized under title III of the Stewart B. McKinney Homeless Assistance Act of 1987, Public Law 100-177.

The program has been administered by a national board and the majority of the funding has been spent for providing temporary food and shelter for the homeless, participating organizations being restricted by legislation from spending more than 2 percent of the funding received for administrative costs. The administrative ceiling was increased to 5 percent under the McKinney Act. However, subsequent appropriation acts limited administrative expenses to 3.5 percent.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$100,000,000 for the Emergency Food and Shelter Program. This is the same as the fiscal year 1997 level.

NATIONAL FLOOD INSURANCE FUND

(TRANSFERS OF FUNDS)

PROGRAM DESCRIPTION

The National Flood Insurance Act of 1968, as amended, authorizes the Federal Government to provide flood insurance on a national basis. Flood insurance may be sold or continued in force only in communities which enact and enforce appropriate flood plain management measures. Communities must participate in the program within 1 year of the time they are identified as flood-prone in order to be eligible for flood insurance and some forms of Federal financial assistance for acquisition or construction purposes. In 1994, the budget assumes collection of all the administrative and program costs associated with flood insurance activities from policyholders.

Under the Emergency Program, structures in identified flood-prone areas are eligible for limited amounts of coverage at subsidized insurance rates. Under the regular program, studies must be made of different flood risks in flood prone areas to establish actuarial premium rates. These rates are charged for insurance on new construction. Coverage is available on virtually all types of buildings and their contents.

COMMITTEE RECOMMENDATION

The Committee has included bill language, providing up to \$21,610,000 for administrative costs from the Flood Insurance Program for salaries and expenses. The Committee has also included bill language providing up to \$78,464,000 for flood mitigation activities including up to \$20,000,000 for expenses under section 1366 of the National Flood Insurance Act.

The Committee is very concerned about the status of the flood insurance program. The current level of borrowing from Treasury is approaching \$900,000,000. It is noted that despite substantial FIA marketing efforts in the upper Midwest prior to the spring floods, fewer than 12 percent of the homeowners who sustained flood damage in the Grand Fork area had flood insurance. FEMA is directed to submit to the Committee within 90 days of enactment of this act its plans for increasing the number of flood insurance policyholders and improving the solvency of the program, including a plan for repaying the current Treasury debt.

ADMINISTRATIVE PROVISION

The Committee recommends bill language, as in previous VA-HUD appropriation legislation, authorizing the collection of user fees for the Radiological Emergency Preparedness Program. These fees offset the cost of this program, totaling \$12,000,000 in fiscal year 1998.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

Appropriations, 1997	\$2,260,000
Budget estimate, 1998	2,119,000
Committee recommendation	2,419,000

PROGRAM DESCRIPTION

The Consumer Information Center [CIC] was established within the General Services Administration [GSA] by Executive order on October 26, 1970, to help Federal departments and agencies promote and distribute consumer information collected as a byproduct of the Government's program activities.

The CIC promotes greater public awareness of existing Federal publications through wide dissemination to the general public of the Consumer Information Catalog. The catalog lists both sales and free publications available from the Government Printing Office [GPO] distribution facility in Pueblo, CO. In fiscal year 1993, the CIC distributed a total of 11.7 million publications. Distribution costs of the free publications are financed by reimbursements from the Federal agencies to the Consumer Information Center.

Public Law 98-63, enacted July 30, 1983, established a revolving fund for the CIC. Under this fund, CIC activities are financed from the following: annual appropriations from the general funds of the Treasury, reimbursements from agencies for distribution of publications, user fees collected from the public, and any other income incident to CIC activities. All are available as authorized in appropriation acts without regard to fiscal year limitations.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,419,000 for the Consumer Information Center, an increase of \$300,000 above the budget estimate and \$159,000 above the enacted level. Additional funds are provided to enable CIC to undertake responsibility for production of the Consumer Resource Handbook.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

U.S. OFFICE OF CONSUMER AFFAIRS

Appropriations, 1997	\$1,500,000
Budget estimate, 1998	1,800,000
Committee recommendation	

PROGRAM DESCRIPTION

In accordance with Executive Order 11583 of February 24, 1971, the role of the U.S. Office of Consumer Affairs is to assure that consumer needs and viewpoints are presented in the Federal Government; foster consideration of consumer viewpoints by other Government agencies, voluntary groups, and business; and seek to inform and educate individual citizens to deal more effectively in the marketplace.

COMMITTEE RECOMMENDATION

The Committee recommends the termination of the Office of Consumer Affairs, and the transfer of responsibility for the Consumer Resource Handbook to the Consumer Information Center. The Committee's action is intended to eliminate duplicative and unnecessary activities within the Federal Government.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Appropriations, 1997	\$13,709,200,000
Budget estimate, 1998	13,500,000,000
Committee recommendation	13,500,000,000

GENERAL DESCRIPTION

The National Aeronautics and Space Administration was established by the National Aeronautics and Space Act of 1958 to conduct space and aeronautical research, development, and flight activities for peaceful purposes designed to maintain U.S. preeminence in aeronautics and space. These activities are designed to continue the Nation's premier program of space exploration and to invest in the development of new technologies to improve the competitive position of the United States. The NASA program provides for a vigorous national program ensuring leadership in world aviation and as the preeminent spacefaring nation.

COMMITTEE RECOMMENDATION

The Committee recommends \$13,500,000,000 for the National Aeronautics and Space Administration for fiscal year 1998. This amount is the same as the budget request.

The Committee recognizes and continues its strong support of NASA's commitment to a balanced space and aeronautics program, including human exploration and development of space, space science, Mission to Planet Earth, and aeronautics and space transportation technology. The Committee also recognizes the inherent riskiness of activities in space, and urges NASA to continue to make safety its highest priority, while at the same time encouraging the development of world-class programs and cutting edge technology. Finally, the Committee reminds NASA that the survival of its major programs may depend on its continuing efforts to downsize and increase the efficiency of its operations. The constraints imposed by the budget demand continued attention to these efforts.

With respect to these concerns, the Committee expects NASA to adhere to the consolidated space operations contract [CSOC] proposal submission date of mid-January 1998 and award selection by the end of next June. For CSOC to achieve the cost saving targets, NASA must ensure that the contract's content includes commonality of functions, as defined in the RFP, across all NASA flight centers, without exception. While attempts have been made at some field centers to keep certain functions out of CSOC because of an attempt to protect so-called core competencies, this has led to an imbalance in scope between various centers. Given that there is minimal variation in the fundamental skills needed from center to center for these functions, any attempt to carve out exceptions to

common functionality diminishes the cost effectiveness and value of moving forward with CSOC. Therefore, the Committee directs NASA to expand the scope of work in CSOC to ensure inclusion of commonality of functions at all centers, including those activities in systems architecture, development, and execution involving flight missions that have been previously excluded. The Committee also expects all existing functions identified for inclusion by the CSOC RFP to remain so designated.

HUMAN SPACE FLIGHT

Appropriations, 1997	\$5,362,900,000
Budget estimate, 1998	5,326,500,000
Committee recommendation	5,326,500,000

PROGRAM DESCRIPTION

The objective of the human space flight appropriation is to provide the on-orbit infrastructure and transportation capability to enable people to live and work in the space environment. The appropriations request would provide funding for the continued development of the space station and activities which support utilization of the space station, the flight activities in support of the joint missions involving the space shuttle and the Russian Mir space station, all the activities required for the continuing safe operation of the space shuttle, and funding for the support of payloads flying on the shuttle and spacelab as well as advanced technology projects and engineering technical base support for the field centers supporting human space flight activities.

COMMITTEE RECOMMENDATION

The Committee has provided the full request, \$5,326,500,000, for the "Human space flight" account, including full funding for the space shuttle and the space station. The full request does not include additional funds which may be needed for space station contingencies, due to the Russian partners, the United States contractor, or other unforeseen contingencies. The Committee agreed to re-allocate \$200,000,000 from other programs in this account in fiscal year 1997 funds to cover the impacts from Russian contingencies and some of these funds are expected to remain available as reserves for fiscal year 1998. The Committee expects NASA to communicate all potential problems as early as possible and to provide possible options for the Committee to consider to deal with all possible contingencies.

Contingency planning for the International Space Station Program is critical at this point in time. Given the severe budget constraints expected for NASA over the next years, the success of any program development effort will depend on resiliency and flexibility as well as merit and priority. However, the Committee also expects that the international space station will deliver the maximum scientific and technological return, and that this goal will remain central to NASA's management of the program.

The Committee believes that NASA's efforts to identify commercial opportunities relating to the international space station are important for the ongoing success of the program, and expects the agency to evaluate potential cost savings from commercialization of

utilization and operations of the international space station in the post-2002 (assembly complete) time frame. The Committee requests that NASA submit a report outlining progress in identifying commercialization opportunities for the International Space Station in the post-2002 time frame with the agency's fiscal year 1999 budget request.

In addition, the Committee commends the Administration's national space policy, and is particularly pleased with the commercial space guidelines that support and enhance U.S. economic competitiveness in space activities while protecting U.S. national security and foreign policy interests. The Committee expects that NASA will adhere to the proscription against conducting activities with commercial application that preclude or deter commercial space activities, except for reasons of national security and public safety. The Committee urges NASA to continue privatization and commercial applications regarding space activities, including conducting life and microgravity science missions on the space shuttle using commercial carriers.

The Committee fully supports deployment of the space station but recognizes the funds appropriated by this act for the development of the space station may not be adequate to cover all potential contractual commitments should the program be terminated for the convenience of the Government. Accordingly, if the space station is terminated for the convenience of the Government, additional appropriated funds may be necessary to cover such contractual commitments. In the event of such termination, it would be the intent of the Committee to provide such additional appropriations as may be necessary to provide fully for termination payments in a manner which avoids impacting the conduct of other ongoing NASA programs.

SCIENCE, AERONAUTICS, AND TECHNOLOGY

Appropriations, 1997	\$5,767,100,000
Budget estimate, 1998	5,642,000,000
Committee recommendation	5,642,000,000

PROGRAM DESCRIPTION

The objectives of the NASA program of research and development are to extend knowledge of the Earth, its space environment, and the universe; to expand the practical applications of space technology; to provide technology for improving the performance of aeronautical vehicles while minimizing their environmental effects and energy consumption; and to assure continued development of the aeronautics and space technology and education of future generations necessary to accomplish national goals.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,642,000,000 for science, aeronautics, and technology activities. This amount is the same as the President's budget request.

The Committee recommendation supports funding of \$2,043,800,000 for space science activities in fiscal year 1998, the same as the President's budget request. This level includes the President's request for the space infrared telescope facility [SIRTF]

and for gravity probe-B [GP-B], and \$6,000,000 for solar terrestrial probes of which \$3,000,000 is for the solar-B mission and \$3,000,000 is for solar stereo. The Committee expects that NASA will propose adjustment of program funding levels consistent with appropriate management of uncosted carryovers.

The Committee is concerned about the absence of competition in the selection of funding recipients for the new millennium, advanced space technology, and portions of the supporting research and technology program elements. The Committee believes that these funds, whether awarded intramurally or extramurally, must be fully competed through broad announcements of opportunity with selection by external peer review panels, rather than at the discretion of agency program managers. For this reason, the Committee directs NASA to develop and submit to the Committee a plan, concurrent with the 1998 operating plan, that lays out a specific strategy to implement this competitive framework, including the allocation of fiscal year 1998 funds, so that approximately one-half of these funds are made available to extramural academic institutions or private industry, with selection by external peer review panels.

The Committee has provided an additional \$10,000,000 for Origins ATD, for additional optical astronomy test beds that contain significant investment by U.S. institutions. Selection of those extra sites should guarantee that one site permits search from the southern hemisphere for candidate stars which show clear evidence of planetary systems, and a second site using a large ground-based interferometer that demonstrates new adaptive optics and nulling interferometry technologies essential for the direct detection of Earth-like planets of other stars.

Because of Origins' interdisciplinary nature, the Committee expects NASA to outline its science plan and mission management strategy for each of the upcoming Origins missions now assumed in the budget runout. NASA is also strongly encouraged to consider establishing one or more academically based Origins institutes that would function as interdisciplinary centers of excellence, independent of mission management, to advance the collective research and educational value of Origins. The agency should report to the Committee on both items by December 15, 1997.

The Committee commends NASA for efforts in developing strategic plans, both agencywide and for each of its enterprises. In addition, the Committee commends the agency for its continued emphasis on new ways of doing business, particularly in small spacecraft programs such as discovery, explorer, earth systems science pathfinder, and new millennium technology within the Space Science and Mission to Planet Earth enterprises. The Committee is concerned, however, that these various programs be properly coordinated within each enterprise. Therefore, the Committee requests that the Space Science and Mission to Planet Earth enterprises include with the fiscal year 1999 budget request, an explanation of how the programs are selected, managed, and coordinated within each enterprise and what performance measures will be used to ensure that the programs are succeeding.

The Committee strongly believes that the Mission to Planet Earth provides a critical opportunity to obtain new and needed

data on information related to the weather, the environment, agriculture, and natural disasters, among others. These data may someday help to ensure adequate food supplies for the world through new understanding of our environment, as well as help predict the timing of and damage from floods and earthquakes. This Committee supports the President's full budget request (\$1,417,300,000) for Mission to Planet Earth, and includes an additional \$5,000,000 for the lightning mapper sensor. The Committee also commends the efforts of the commercial remote sensing activities at Stennis Space Center, particularly in managing the purchase of Earth science data from private industry, and encourages that these activities continue.

Nevertheless, the Earth observing system [EOS], the centerpiece of Mission to Planet Earth, and the Earth observing system data and information system [EOSDIS] today face continuous technical challenges. The Committee believes that the EOSDIS ground system should be viewed as a long-term effort that must have both the program stability and core capability to achieve significant results over this long-term period.

Since EOS was approved as a new start in fiscal year 1991, the Committee has directed NASA to resist efforts continually to change the architecture and program baseline of EOSDIS. To guarantee this occurs as EOS nears the AM-1 launch, the Committee directs NASA to maintain the EOSDIS focus on the critical schedule milestones to minimize any adverse effect on the launch schedule. This emphasis should continue until EOSDIS version B.1 becomes operational in early 1999. NASA should strongly resist any effort to add requirements to those milestones between now and delivery of version B.1 operational software, including efforts to make the upcoming demo a full-scale system test of all functions. Assuming the successful delivery of version B.1 software, the Committee fully expects the ECS contract to continue in its current structure for the development of EOSDIS version C/D.

The Committee is also concerned with the proposed federated management system for EOS. The Committee, therefore, directs NASA to provide not more than \$10,000,000 from any source in fiscal year 1998 for federated management and related prototype activities. The Committee is highly skeptical of the inherent value of evolving EOSDIS to a federated system run by the program's principal investigators without a systemwide developer or software integrator. NASA should also issue guidelines within 90 days to eliminate the appearance of any potential financial conflicts between federated management funding and membership on an EOSDIS advisory panel. Finally, the Committee expects a report on any plans for EOSDIS federated management, including detailed budget, technical content, and schedule plans, submitted with the fiscal year 1999 budget.

The Committee also supports a broad user community for EOS data. To promote public-private partnerships on the use of EOS data, NASA is directed to use \$15,000,000 to fund up to five competitively selected consortia to develop specific regional applications with the use of EOS data. Each consortium must include academic institutions and end users as partners, and demonstrate a value-

added application of EOS data to a regional problem of significant economic consequence.

The midcourse experiment spacecraft [MSX] has obtained hyperspectral image data which may be useful to some areas in the space sciences and Mission to Planet Earth. The Committee urges NASA to examine the potential utility of the MSX data, and to report on the potential uses to the Committee by November 30, 1997.

The Committee supports the President's request of \$1,469,500,000 for the development of aeronautics and space transportation technology. This Committee supports the full budget request for the X-33 program, the Advanced Space Transportation Program, the independent verification and validation facility, and the National Technology Transfer Center. The Committee also includes an increase of \$20,000,000 for the bantam flight demonstrator, and \$1,500,000 for MSE-Technology Applications, Western Environmental Technology Office, to allow the continuation of ongoing research and development projects on high priority aerospace technology. The Committee recognizes the need for further research into the development of strong, heat-resistant, light-weight materials. The advanced materials and processes discipline has been identified as critical in driving technological change and economic advances into the next century. Accordingly, the Committee urges NASA to consider receiving proposals for multidisciplinary research to discover and produce new materials, and to enhance the chemical and physical characteristics of traditional materials.

The Committee recognizes the positive contributions of the commercial space centers. NASA is urged to continue support for these activities.

The Committee directs NASA to use \$10,000,000 to participate in the next generation internet initiative. The Committee urges NASA to develop new technologies to improve internet interconnection to areas, such as Alaska and Hawaii, which, due to remoteness and a corresponding lack of telecommunications infrastructure, are unable to access emerging internet technologies fully. The Committee also recommends Montana as an appropriate participant area in the next generation internet initiative.

The Committee recommendation includes \$96,400,000 for science education under this account, with program impacts minimized by improved management of uncosted carryover balances. The recommendation includes \$2,500,000 for a science learning center in Kenai, AK; \$500,000 for the Discovery Science Center, Santa Ana, CA; the full request for the Classroom of the Future; and an increase of \$2,000,000, for a total of \$15,300,000 for the National Space Grant College and fellowship program.

The Committee provides \$2,000,000 for continuing development of a national prototype space education curriculum by the Center for Space Education at the Bishop Museum, Honolulu, HI. The center has worked closely with NASA on the first phase of this program, which is designed to utilize NASA's education and technology base and the Nation's science museum and planetarium network to heighten student interest and involvement in science, technology, and space programs. The second phase will develop innovative exhibits, interactive internet resources, teacher workshops, and student materials.

The Committee has included funding for the NASA Experimental Program to Stimulate Competitive Research [EPSCoR]. The Committee believes that NASA needs to focus more of its own efforts and resources on this program. The Committee intends that NASA will conduct a new grant competition and that it will undertake new efforts to help participating States form linkages and collaborations with NASA centers and research programs.

The Committee recommendation deletes \$1,000,000 proposed in the NASA budget for a joint program with the Department of Defense.

MISSION SUPPORT

Appropriations, 1997	\$2,562,200,000
Budget estimate, 1998	2,513,200,000
Committee recommendation	2,513,200,000

PROGRAM DESCRIPTION

This appropriation provides for mission support including safety, reliability, and mission assurance activities supporting agency programs; space communication services for NASA programs; salaries and related expenses in support of research in NASA field installations; design, repair, rehabilitation and modification of institutional facilities, and construction of new institutional facilities; and other operations activities supporting conduct of agency programs.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,513,200,000 for mission support. This amount is the same as the President's budget request. The Committee urges NASA to identify and use any uncosted carryover balances within this account to meet any additional, unintended costs associated with this account for fiscal year 1998.

The Committee recommendation includes \$5,000,000 for facilities enhancement at Stennis Space Center.

The Committee commends NASA for its recently completed Wallops Mission 2000 plan which outlines workforce and workload responsibilities for the NASA Wallops flight facility into the 21st century, and directs NASA to proceed with implementation of the plan. As part of the plan, the Committee understands that, after planned decommissioning, aircraft based at Wallops include one NASA-supported research aircraft, one NASA administrative aircraft, one range support aircraft jointly funded by NASA and the Navy; it is understood that NASA is pursuing transfer of the range support aircraft to the Navy, given the Navy's predominant utilization of that aircraft. Furthermore, it is the Committee's understanding that Wallops will remain a deployment site for Mission to Planet Earth science missions using various NASA research aircraft, including those based at other locations. With respect to aircraft consolidation, it is the Committee's understanding that NASA has no plans to relocate aircraft based east of the Mississippi River to the Dryden Flight Research Center for purposes of consolidation. Finally, the Committee understands that NASA is proceeding to decommission aircraft across the agency which are no longer programmatically required, and that NASA will regularly reassess

programmatic requirements for all NASA research aircraft to ensure that NASA is using its resources in the most efficient manner.

OFFICE OF INSPECTOR GENERAL

Appropriations, 1997	\$17,000,000
Budget estimate, 1998	18,300,000
Committee recommendation	18,300,000

PROGRAM DESCRIPTION

The Office of Inspector General was established by the Inspector General Act of 1978. The Office is responsible for providing agency-wide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.

COMMITTEE RECOMMENDATION

The Committee recommends \$18,300,000 for fiscal year 1998, an increase of \$1,300,000 over the fiscal year 1997 appropriation level and the same as the President's budget request.

ADMINISTRATIVE PROVISIONS

The Committee recommendation includes a series of provisions, proposed by the administration, which are largely technical in nature, concerning the availability of funds. These provisions have been carried in prior-year appropriation acts.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

	Direct loan limitation	Administrative expenses
Appropriations, 1997	\$600,000,000	\$560,000
Budget estimate, 1998	600,000,000	203,000
Committee recommendation	600,000,000	203,000

PROGRAM DESCRIPTION

The National Credit Union Administration [NCUA] Central Liquidity Facility [CLF] was created by the National Credit Union Central Liquidity Facility Act (Public Law 95-630) as a mixed-ownership Government corporation within the National Credit Union Administration. It is managed by the National Credit Union Administration Board and is owned by its member credit unions.

The purpose of the facility is to improve the general financial stability of credit unions by meeting their seasonal and emergency liquidity needs and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. To become eligible for facility services, credit unions invest in the capital stock of the facility, and the facility uses the proceeds of such investments and the proceeds of borrowed funds to meet the liquidity needs of credit unions. The

primary sources of funds for the facility are the stock subscriptions from credit unions and borrowings.

The facility may borrow funds from any source, with the amount of borrowing limited by Public Law 95-630 to 12 times the amount of subscribed capital stock and surplus.

Loans are available to meet short-term requirements for funds attributable to emergency outflows from managerial difficulties or local economic downturns. Seasonal credit is also provided to accommodate fluctuations caused by cyclical changes in such areas as agriculture, education, and retail business. Loans can also be made to offset protracted credit problems caused by factors such as regional economic decline.

COMMITTEE RECOMMENDATION

The Committee recommends the administration's proposed limitation of \$600,000,000 in loans from the central liquidity facility for fiscal year 1998. The Committee also recommends the budget request of limiting administrative expenses for the CLF to \$203,000 in fiscal year 1998.

NATIONAL SCIENCE FOUNDATION

Appropriations, 1997	\$3,270,000,000
Budget estimate, 1998	3,367,000,000
Committee recommendation	3,377,000,000

GENERAL DESCRIPTION

The National Science Foundation was established as an independent agency by the National Science Foundation Act of 1950 (Public Law 81-507) and is authorized to support basic and applied research, science and technology policy research, and science and engineering education programs to promote the progress of science and engineering in the United States.

The Foundation supports fundamental and applied research in all major scientific and engineering disciplines, through grants, contracts, and other forms of assistance, such as cooperative agreements, awarded to more than 2,000 colleges and universities, and to nonprofit organizations and other research organizations in all parts of the United States. The Foundation also supports major national and international programs and research facilities.

COMMITTEE RECOMMENDATION

The Committee recommends \$3,377,000,000 for the National Science Foundation for fiscal year 1998. This amount is \$107,000,000 more than the 1997 level and \$10,000,000 more than the budget request.

RESEARCH AND RELATED ACTIVITIES

Appropriations, 1997	\$2,432,000,000
Budget estimate, 1998	2,514,700,000
Committee recommendation	2,524,700,000

PROGRAM DESCRIPTION

The research and related activities appropriation addresses Foundation goals to enable the United States to uphold world leadership in all aspects of science and engineering, and to promote the discovery, integration, dissemination, and employment of new knowledge in service to society. Research activities will contribute to the achievement of these goals through expansion of the knowledge base; integration of research and education; stimulation of knowledge transfer among academia and the public and private sectors; and bringing the perspectives of many disciplines to bear on complex problems important to the Nation.

The Foundation's discipline-oriented research programs are: biological sciences; computer and information science and engineering; engineering; geosciences; mathematical and physical sciences; and social, behavioral and economic sciences. Also included are U.S. polar research programs, U.S. antarctic logistical support activities, and the Critical Technologies Institute.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,524,700,000 for research and related activities. This amount is \$92,700,000 above the fiscal year 1997 level and \$10,000,000 more than the budget request.

The Committee recognizes the importance that the agency places on its two new initiatives, knowledge and distributed intelligence in the information age, and life in extreme environments, and also understands the difficulty of establishing milestones and goals for basic research. However, the Committee also believes that the agency must have a plan for the investment of nearly \$500,000,000 for the two new initiatives. Therefore, the Committee will not make the new funding for these two initiatives available until the agency submits appropriate milestones and guideposts, to be accomplished in fiscal year 1998, and against which the agency can be measured in determining funding for fiscal year 1999.

The Committee is aware of the work of the interagency working group on plant genomes convened by the National Science and Technology Council, and supports the group's recommendations for a plant genome initiative. The Committee, therefore, directs the National Science Foundation to accelerate the mapping of Arabidopsis and to move beyond the work it currently supports toward more economically important plant genome projects such as corn, wheat, rice, and soybeans. It is the Committee's view that the corn genome is of particular importance to the health and well-being of the Nation—particularly with respect to agricultural productivity, environmental protection, and food and fiber interests. The Committee is encouraged by the interagency efforts and recognizes the importance of not only a coordinated Federal effort but also the possibilities of a meaningful public/private partnership and international cooperation. To support these efforts, the Committee directs NSF to spend \$40,000,000 in fiscal year 1998 to support a competitive, merit-based initiative, which may include one or more university-based research centers, that will enable the development of a U.S. led public/private research initiative supporting research

into plant genomes. This NSF effort should be closely coordinated with related efforts being supported by other Federal agencies.

The Committee is aware that the agency recently revised the criteria for merit review of proposals submitted to the agency for funding, and that the criteria now include consideration of the broader applications of the research to be supported. The Committee encourages NSF to examine how the changes in the merit review criteria have affected the types of research the agency supports, and directs the agency to support a review of the new criteria by the National Academy of Public Administration, to be initiated after the new criteria have been in place for 1 year. In addition, the NAPA study should address the overall criteria-setting process within the agency, including how the agency identifies areas for new initiatives and measures progress in existing initiatives.

In previous years the NSF budget request contained valuable information on interdisciplinary research and education initiatives of broad national interest. Three of these initiatives were biotechnology, environment and global change, and high performance computing and communications. This information was very useful to the Committee as part of the process for setting priorities and understanding outcomes that flow from these efforts. Therefore the Committee requests that, in the future, the Foundation once again include funding information on these initiatives along with a discussion of key priorities and outcomes that occur within each area.

The Committee is aware that two existing supercomputer centers are to be phased out over a period of up to 2 years, and urges that NSF and the two centers reach an expeditious solution to the phase out. The transition should take into account the needs of the users and also the appropriate transition period and costs. Absent an agreement between NSF and the centers, the Committee may be compelled to provide guidance to the agency concerning what constitutes an appropriate transition. It has been suggested that object classification 21 could provide adequate transition funding.

The Committee expects that the agency will comply with all aspects of the Government Performance and Results Act.

The Committee strongly supports the next generation internet initiative, and stresses the importance of equal access to the Internet for students, teachers, and researchers in the rural areas of this country. In addition, the Committee continues to be concerned about representation from all geographical areas on panels and advisory committees, especially those relating to networking and telecommunications. Advanced computing and communications are vital to rural areas. Rural States should participate fully in the connections, computing, and related programs, including new initiatives. The Committee requests a report by December 31, 1997, on participation in current computing and communications programs by States in the Experimental Program to Stimulate Competitive Research [EPSCoR]. The report should clarify NSF's role and activities within the next generation internet initiative; describe how the agency plans to address equal access, particularly to rural areas; and include the plans for the role of EPSCoR States.

The Committee continues to support strongly NSF's directorate in the behavioral and social sciences, which has made impressive

strides since its establishment. These include the development of the human capital initiative, which guides funding priorities by tying basic research to national concerns which have behavior at their core. The Committee understands that the Foundation sponsored a workshop on basic research in psychology that should guide human capital support in cognitive science, social, and developmental psychology, and multidisciplinary research that crosscuts with biology, engineering, education, physics, and others. The Committee applauds this effort and looks forward to hearing about accomplishments of the human capital initiative in the fiscal year 1999 appropriations cycle.

The Committee notes the important role that the National Science Foundation should be playing in the multidisciplinary, multiagency origins program, to understand the origin and evolution of galaxies and planetary systems, and the origin and distribution of life in the universe. The Committee urges NSF to work with NASA and other agencies to develop complementary programs, and to report to the Committee on these activities by December 31, 1997.

MAJOR RESEARCH EQUIPMENT

Appropriations, 1997	\$80,000,000
Budget estimate, 1998	85,000,000
Committee recommendation	85,000,000

PROGRAM DESCRIPTION

The major research equipment activity will support the construction and procurement of unique national research platforms and major research equipment. Projects supported by this appropriation will push the boundaries of technological design and will offer significant expansion of opportunities, often in new directions, for the science and engineering community.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$85,000,000 for major research equipment. This amount is \$5,000,000 above the fiscal year 1997 level and the same as the budget request.

The Committee commends the report prepared by the U.S. Antarctic Program external panel in recommending a scaled-down version of a new station to be built at the South Pole. In fiscal year 1998, the Committee directs that \$25,000,000 from this account be used to initiate this endeavor. The Committee intends to provide additional funding over the next 4 fiscal years, totaling \$90,000,000, from this account to complete the South Pole station.

The Committee recommends \$4,000,000 for the Gemini project, \$2,800,000 above the request, but has included these funds in the "Major research equipment" account instead of "Research and related activities," because they are for final construction contingencies and instrumentation enhancements, more appropriately an activity in this account. Funds for Gemini should be derived from reducing the amount available for the millimeter array project.

The Committee recommends the President's request for the Laser Interferometer Gravitational-Wave Observatory [LIGO].

The Committee notes that the Foundation has a significant number of major projects involving construction and acquisition of new and unique research facilities. In light of the current ongoing projects as well as those being planned, the Committee believes the Foundation should provide regular updates to the Committee on developments associated with its large-scale facilities and equipment projects. The Committee requests that such updates, which should be submitted as part of the annual budget request and then updated by July 1 each year, include a full description of the status of each ongoing large-scale construction or acquisition effort with an estimated cost of \$10,000,000 or more. The status report should include both original and current cost estimates for construction and operations, as well as changes or developments that may impact the final construction or operational costs of the project. In addition to ongoing projects, the report should cover projects which are actively being considered for future budget requests.

The Department of Defense has developed a facility which can serve as a center of excellence for ionospheric research. This facility will allow the Federal Government to complete essential research on characterizing the ionosphere, determining the effects of ionospheric activity on communications systems, and evaluating the opportunity to use the properties of the ionosphere to image underground and underwater objects and to transmit data over great distances. The DOD facility requires an incoherent scatter radar to support measurements of the ionosphere's properties and behavior.

The National Science Foundation has budgeted for the purchase of an incoherent scatter radar; however, this system was to be located at a site outside of the United States which did not consider the opportunity to collocate the NSF radar with the existing ionospheric research capability. The Committee recommendation provides \$25,000,000 for an incoherent scatter radar. However, the Committee directs that those funds shall be available only to construct an incoherent scatter radar collocated with the Defense Department's ionospheric research site. Locating the incoherent scatter radar at this site will allow all agencies of the Federal Government to accomplish polar and ionospheric research without wasteful duplicate investments.

EDUCATION AND HUMAN RESOURCES

Appropriations, 1997	\$619,000,000
Budget estimate, 1998	625,500,000
Committee recommendation	625,500,000

PROGRAM DESCRIPTION

Education and human resources activities provide a comprehensive set of programs across all levels of education in science, mathematics, and technology. At the precollege level, the appropriation provides for new instructional material and techniques, and enrichment activities for teachers and students. Undergraduate initiatives support curriculum improvement, facility enhancement, and advanced technological education. Graduate level support is directed primarily to research fellowships and traineeships. Emphasis is given to systemic reform through components that address urban, rural, and statewide efforts in precollege education, and pro-

grams which seek to broaden the participation of States and regions in science and engineering.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$625,500,000 for education and human resources. This amount is \$6,500,000 more than the fiscal year 1997 level and the same as the budget request.

The Committee has included the budget request of \$20,000,000 for the new Integrative Graduate Education and Research Training [IGERT] Program. However, the Committee is concerned with the lack of evaluation of previous traineeship programs, and requests that the agency provide, prior to making awards for this program, an evaluation of previous traineeship programs, the problems with those programs that IGERT is designed to fix, and the criteria by which IGERT programs will be funded.

The Committee has included the budget request for the Experimental Program to Stimulate Competitive Research [EPSCoR]. The Committee notes that both the budget justification and testimony indicate that \$8,000,000 to \$10,000,000 of funding for the program will be available through the research directorates. Since this represents a new approach, NSF has a specific responsibility to work with the individual States to ensure that the program is successful. States should be given full support in making the transition to the new approach and provided the types of assistance which they identify as needed. Furthermore, funds should not be merely shifted from one account to another or replace grants which would otherwise be made. The agency should report back to the Committee on the progress of this new approach by March 1, 1998.

The Committee expects NSF funding of \$6,000,000 for an underrepresented populations undergraduate reform initiative to increase the numbers of underrepresented populations in mathematics, engineering, and the biological, computer, and physical sciences through grants to historically black colleges and universities [HBCU's]. The Committee has included these funds because HBCU's have only a small fraction of the minority population yet graduate about 20 percent of the number of minorities with undergraduate degrees in math, engineering, and the biological, computer, and physical sciences. As the Nation undertakes sweeping changes in social policy, it is essential that resources be focused where there is the most likely chance of empowering young people from disadvantaged backgrounds for opportunities for meaningful employment in high technology backgrounds. Funds should be allocated for up to three HBCU institution-based awards, to be awarded competitively and to be matched by an equal amount from the NSF's six other program directorates, to be used for a combination of faculty support, research experiences for undergraduates, and scientific instrumentation.

SALARIES AND EXPENSES

Appropriations, 1997	\$134,310,000
Budget estimate, 1998	136,950,000
Committee recommendation	136,950,000

PROGRAM DESCRIPTION

The salaries and expenses appropriation provides for the operation, management, and direction of all Foundation programs and activities and includes necessary funds to develop and coordinate NSF programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$136,950,000 for salaries and expenses. This amount is \$2,640,000 above the fiscal year 1997 level and is the same as the amount requested in the President's budget. The Committee directs NSF to examine the key program area of administration and management, and to include costs of salaries and benefits of any person employed at the National Science Foundation headquarters, including Federal employees, Intergovernmental Personnel Act persons, detailees, and contractor personnel in this key program area in the fiscal year 1999 budget request.

OFFICE OF INSPECTOR GENERAL

Appropriations, 1997	\$4,690,000
Budget estimate, 1998	4,850,000
Committee recommendation	4,850,000

PROGRAM DESCRIPTION

The Office of Inspector General appropriation provides audit and investigation functions to identify and correct deficiencies which could create potential instances of fraud, waste, or mismanagement.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,850,000 for the Office of Inspector General in fiscal year 1997. This amount is \$160,000 above the fiscal year 1996 level, and is the same as the amount requested in the President's budget.

NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriations, 1997	\$49,900,000
Budget estimate, 1998	50,000,000
Committee recommendation	50,000,000

PROGRAM DESCRIPTION

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (title VI of the Housing and Community Development Amendments of 1978, Public Law 95-557, October 31, 1978). Neighborhood reinvestment helps local communities establish working partnerships between residents and representatives of the public and private sectors. The partnership-based organizations are independent, tax-exempt, nonprofit entities: Neighborhood housing services [NHS], mutual housing associations, and apartment improvement programs. Collectively, these organizations are known as the NeighborWorks® network.

Nationally, the 177 NeighborWorks® organizations form a solid network in approximately 150 cities effectively revitalizing over

348 neighborhoods. Of the neighborhoods, 71 percent of the people served are in the very low and low-income brackets.

The NeighborWorks® network improves the quality of life in distressed neighborhoods for current residents, increases homeownership through targeted lending efforts, exerts a long-term, stabilizing influence on the neighborhood business environment, and reverses neighborhood decline. NeighborWorks® organizations have been positively impacting urban communities for over two decades, and more recent experience is demonstrating the success of this approach in rural communities when adequate resources are available.

Neighborhood reinvestment will continue to provide grants to Neighborhood Housing Services of America [NHSA], the NeighborWorks® network's national secondary market. The mission of NHSA is to utilize private sector support to replenish local NeighborWorks® organizations' revolving loan funds. These loans are used to back securities which are placed with private sector social investors.

COMMITTEE RECOMMENDATION

The Committee proposes the budget request of \$50,000,000 for the Neighborhood Reinvestment Corporation.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Appropriations, 1997	\$22,930,000
Budget estimate, 1998	23,919,000
Committee recommendation	23,413,000

PROGRAM DESCRIPTION

The Selective Service System [SSS] was reestablished by the Selective Service Act of 1948. The basic mission of the System is to be prepared to supply manpower to the Armed Forces adequate to ensure the security of the United States during a time of national emergency. Since 1973, the Armed Forces have relied on volunteers to fill military manpower requirements. However, the Selective Service System remains the primary vehicle by which men will be brought into the military if Congress and the President should authorize a return to the draft.

In December 1987, Selective Service was tasked by law (Public Law 100-180, sec. 715) to develop plans for a postmobilization health care personnel delivery system capable of providing the necessary critically skilled health care personnel to the Armed Forces in time of emergency. An automated system capable of handling mass registration and inductions is now complete, together with necessary draft legislation, a draft Presidential proclamation, prototype forms and letters, et cetera. These products will be available should the need arise. The development of supplemental standby products, such as a compliance system for health care personnel, continues using very limited existing resources.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$23,413,000 for the Selective Service System. This amount is \$505,000 less than the budget request for fiscal year 1998 and an increase of \$483,000 over the enacted level. The additional funds are not needed since the Committee does not believe Selective Service should be responsible for promoting the national service program.

TITLE IV—GENERAL PROVISIONS

The Committee recommends inclusion of 21 general provisions previously enacted in the 1997 appropriations act. They are standard limitations which have been carried in the VA, HUD, and Independent Agencies appropriations bill in the past.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE
STANDING RULES OF THE SENATE

Paragraph 7 of Rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Housing Certificate Fund: \$10,393,000,000.
Fair housing activities: \$30,000,000.
HOME Investment Partnerships Program: \$1,400,000,000.
Indian housing loan guarantee fund: \$6,009,000.
Government National Mortgage Association (credit limitation):
\$130,000,000,000.
Homeless assistance grants: \$823,000,000.
Community development block grants: \$4,600,000,000.
Research and technology: \$34,000,000.

CONSUMER PRODUCT SAFETY COMMISSION

Salaries and expenses: \$45,000,000.

ENVIRONMENTAL PROTECTION AGENCY

Environmental programs and management: \$1,805,000,000.
Science and technology: \$600,000,000.
Buildings and facilities: \$19,420,000.
State and tribal assistance grants: \$3,030,000,000.
Superfund: \$1,400,000,000.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Salaries and expenses: \$171,773,000.
Emergency management planning and assistance: \$202,146,000.
Emergency food and shelter: \$100,000,000.

GENERAL SERVICES ADMINISTRATION

Consumer Information Center: \$2,419,000.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Human space flight: \$5,326,500,000.
Science, aeronautics, and technology: \$5,642,000,000.
Mission support: \$2,513,200,000.

NATIONAL SCIENCE FOUNDATION

Research and related activities: \$2,524,700,000.

Major research equipment: \$85,000,000.

Salaries and expenses: \$136,950,000.

Education and human resources: \$625,500,000.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, the Committee ordered reported en bloc H.R. 2016, Military Construction appropriations bill, 1998, and S. 1033, an original Agriculture, Rural Development appropriations bill, 1998, subject to amendment and subject to their budget allocations, and S. 1034, an original VA–HUD appropriations bill, subject to amendment and subject to appropriate scoring, by a recorded vote of 28–0, a quorum being present. The vote was as follows:

Yeas

Nays

Chairman Stevens

Mr. Cochran

Mr. Specter

Mr. Domenici

Mr. Bond

Mr. Gorton

Mr. McConnell

Mr. Burns

Mr. Shelby

Mr. Gregg

Mr. Bennett

Mr. Campbell

Mr. Craig

Mr. Faircloth

Mrs. Hutchison

Mr. Byrd

Mr. Inouye

Mr. Hollings

Mr. Leahy

Mr. Bumpers

Mr. Lautenberg

Mr. Harkin

Ms. Mikulski

Mr. Reid

Mr. Kohl

Mrs. Murray

Mr. Dorgan

Mrs. Boxer

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of

that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

As discussed earlier in this report, the dramatic and unprecedented constraints on domestic discretionary spending has made necessary inclusion of a considerable volume of legislative reforms and other changes in existing statutes in the Committee recommendation. This is particularly in evidence in title II, the Department of Housing and Urban Development portion of this bill, in which cost-saving and cost-avoidance measures for discretionary housing and community development activities require modification of programs governed a large body of detailed and complex statutory provisions.

The Committee has included substantial explanatory material in this report which attempts to fully detail both the intent and practical effect of these statutory provisions. In view of the extensive nature of these changes, however, preparation of a comparative print detailing each of these statutory amendments would delay prompt availability of this report. In the opinion of the Committee, it is necessary to dispense with the requirements of paragraph 12 of rule XXVI to expedite the business of the Senate.

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.
308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the First Concurrent Resolution for 1998: Subcommittee on VA, HUD, and Independent Agencies:				
Defense discretionary	129	128	128	¹ 128
Nondefense discretionary	60,065	69,263	76,154	79,561
Violent crime reduction fund				
Mandatory	21,332	21,543	20,061	19,711
Projection of outlays associated with the recommendation:				
1998				² 51,988
1999				8,815
2000				2,515
2001				1,140
2002 and future years				659
Financial assistance to State and local governments for 1998 in bill	NA	24,990	NA	4,841

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

Note.—Consistent with the funding recommended in the bill for section 8 housing assistance and in accordance with section 203 of H. Con. Res. 84, the concurrent resolution on the budget for fiscal year 1998, the Committee anticipates that the Budget Committee will file a revised section 602(a) allocation for the Committee on Appropriations reflecting an upward adjustment of \$9,200,000,000 in budget authority and \$3,407,000,000 in outlays.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1998

Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1997 appropriation	Budget estimate
TITLE I					
Veterans Benefits Administration					
Compensation and pensions	\$18,671,259,000	\$19,932,997,000	\$19,932,997,000	+\$1,261,738,000	.....
Supplemental (Public Law 105-18)	928,000,000	.....	.....	- 928,000,000	.....
Readjustment benefits	1,377,000,000	1,366,000,000	1,366,000,000	- 11,000,000	.....
Veterans insurance and indemnities	38,970,000	51,360,000	51,360,000	+ 12,390,000	.....
Veterans housing benefit program fund program account (indefinite) .....	.....	192,447,000	192,447,000	+ 192,447,000	.....
(Limitation on direct loans) .....	.....	(300,000)	(300,000)	(+ 300,000)	.....
Administrative expenses .....	.....	160,437,000	160,437,000	+ 160,437,000	.....
Guaranty and indemnity program account (indefinite)	158,643,000	.....	.....	- 158,643,000	.....
Administrative expenses	105,226,000	.....	.....	- 105,226,000	.....
Loan guaranty program account (indefinite)	14,091,000	.....	.....	- 14,091,000	.....
Administrative expenses	33,810,000	.....	.....	- 33,810,000	.....
Direct loan program account (indefinite)	30,000	.....	.....	- 30,000	.....
(Limitation on direct loans)	(300,000)	.....	.....	( - 300,000)	.....
Administrative expenses	80,000	.....	.....	- 80,000	.....
Education loan fund program account	1,000	1,000	1,000	.....	.....
(Limitation on direct loans)	(3,000)	(3,000)	(3,000)	.....	.....
Administrative expenses	195,000	200,000	200,000	+ 5,000	.....
Vocational rehabilitation loans program account	49,000	44,000	44,000	- 5,000	.....
(Limitation on direct loans)	(2,822,000)	(2,278,000)	(2,278,000)	(- 544,000)	.....
Administrative expenses	377,000	388,000	388,000	+ 11,000	.....
Native American Veteran Housing Loan Program Account	205,000	515,000	515,000	+ 310,000	.....
Total, Veterans Benefits Administration	21,327,936,000	21,704,389,000	21,704,389,000	+ 376,453,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1998—Continued

Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1997 appropriation	Budget estimate
Veterans Health Administration					
Medical care	16,313,447,000	16,958,846,000	16,476,840,000	+ 163,393,000	— \$482,006,000
Delayed equipment obligation	700,000,000	.....	550,000,000	— 150,000,000	+ 550,000,000
Total	17,013,447,000	16,958,846,000	17,026,840,000	+ 13,393,000	+ 67,994,000
Medical care cost recovery collections:					
Offsetting receipts .....	.....	— 604,000,000	— 604,000,000	— 604,000,000	.....
Appropriations (indefinite) .....	.....	604,000,000	604,000,000	+ 604,000,000	.....
Total available	(17,013,447,000)	(17,562,846,000)	(17,630,840,000)	(+ 617,393,000)	(+ 67,994,000)
Medical and prosthetic research	262,000,000	234,374,000	267,000,000	+ 5,000,000	+ 32,626,000
Medical administration and miscellaneous operating expenses	61,207,000	60,160,000	60,160,000	— 1,047,000	.....
General Post Fund, National Homes:					
Loan program account (by transfer)	(7,000)	(7,000)	(7,000)	.....	.....
Administrative expenses (by transfer)	(54,000)	(54,000)	(54,000)	.....	.....
(Limitation on direct loans)	(70,000)	(70,000)	(70,000)	.....	.....
General post fund (transfer out)	(— 61,000)	(— 61,000)	(— 61,000)	.....	.....
Total, Veterans Health Administration	17,336,654,000	17,253,380,000	17,354,000,000	+ 17,346,000	+ 100,620,000
Departmental Administration					
General operating expenses	827,584,000	846,385,000	786,385,000	— 41,199,000	— 60,000,000
Offsetting receipts	(32,000,000)	(36,000,000)	(36,000,000)	(+ 4,000,000)	.....
Total, Program Level	(859,584,000)	(882,385,000)	(822,385,000)	(— 37,199,000)	(— 60,000,000)
National Cemetery System	76,864,000	84,183,000	84,183,000	+ 7,319,000	.....
Office of Inspector General	30,900,000	31,013,000	31,013,000	+ 113,000	.....

Construction, major projects	250,858,000	79,500,000	92,800,000	-158,058,000	+13,300,000
Construction, minor projects	175,000,000	166,300,000	166,300,000	-8,700,000	.....
Parking revolving fund	12,300,000	.....	.....	-12,300,000	.....
Grants for construction of State extended care facilities	47,397,000	41,000,000	80,000,000	+32,603,000	+39,000,000
Grants for the construction of State veterans cemeteries	1,000,000	10,000,000	10,000,000	+9,000,000	.....
Total, Departmental Administration	1,421,903,000	1,258,381,000	1,250,681,000	-171,222,000	-7,700,000
Total, title I, Department of Veterans Affairs	40,086,493,000	40,216,150,000	40,309,070,000	+222,577,000	+92,920,000
Appropriations	(40,086,493,000)	(40,216,150,000)	(40,309,070,000)	(+222,577,000)	(+92,920,000)
Rescissions .....	.....	.....	.....	.....	.....
(By transfer)	(61,000)	(61,000)	(61,000)	.....	.....
(Limitation on direct loans)	(3,195,000)	(2,651,000)	(2,651,000)	(-544,000)	.....
Consisting of:					
Mandatory	(21,187,993,000)	(21,542,804,000)	(21,542,804,000)	(+354,811,000)	.....
Discretionary	(18,898,500,000)	(18,673,346,000)	(18,766,266,000)	(-132,234,000)	(+92,920,000)
TITLE II					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Selected Housing Programs					
Housing Certificate Fund .....	.....	10,676,000,000	10,693,000,000	+10,693,000,000	+17,000,000
Expiring section 8 contracts .....	.....	(9,232,000,000)	(9,200,000,000)	(+9,200,000,000)	(-32,000,000)
Section 8 amendments .....	.....	(850,000,000)	(1,150,000,000)	(+1,150,000,000)	(+300,000,000)
Section 8 relocation assistance .....	.....	(594,000,000)	(343,000,000)	(+343,000,000)	(-251,000,000)
Prevention of resident displacement	4,640,000,000	.....	.....	-4,640,000,000	.....
Expiring section 8 contracts	(3,600,000,000)	.....	.....	(-3,600,000,000)	.....
Section 8 amendments	(850,000,000)	.....	.....	(-850,000,000)	.....
Section 8 relocation assistance	(190,000,000)	.....	.....	(-190,000,000)	.....
Transfer from recaptures	(50,000,000)	.....	.....	(-50,000,000)	.....
Subtotal	(4,690,000,000)	(10,676,000,000)	(10,693,000,000)	(+6,003,000,000)	(+17,000,000)
Annual contributions (rescission) .....	.....	-855,000,000	.....	.....	+855,000,000
Rescission (Public Law 105-18)	-3,650,000,000	.....	.....	+3,650,000,000	.....
Public housing capital fund .....	.....	2,500,000,000	2,500,000,000	+2,500,000,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1998—Continued

Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1997 appropriation	Budget estimate
Public housing operating fund					
Preserving existing housing investment	5,750,000,000	2,900,000,000	2,900,000,000	+ 2,900,000,000	.....
Public housing operating subsidies	(2,900,000,000)	.....	.....	- 5,750,000,000	.....
Public housing modernization	(2,500,000,000)	.....	.....	(- 2,900,000,000)	.....
Preservation	(350,000,000)	.....	.....	(- 2,500,000,000)	.....
Rescission of recaptures	- 150,000,000	.....	.....	(- 350,000,000)	.....
Prepayment authority	2,000,000	.....	.....	+ 150,000,000	.....
Supplemental (Public Law 105-18)	3,500,000	.....	.....	- 2,000,000	.....
Subtotal	(5,605,500,000)	(5,400,000,000)	(5,400,000,000)	- 205,500,000	.....
Drug elimination grants for low-income housing	290,000,000	290,000,000	290,000,000	.....	.....
Revitalization of severely distressed public housing (HOPE VI)	550,000,000	524,000,000	550,000,000	.....	+ 26,000,000
Homeownership and opportunity for people everywhere grants (HOPE grants) (transfer out) (Public Law 105-18)	(- 30,200,000)	.....	.....	(+ 30,200,000)	.....
Native American housing block grant .....	.....	485,000,000	485,000,000	+ 485,000,000	.....
Indian housing loan guarantee fund program account	3,000,000	3,000,000	6,000,000	+ 3,000,000	+ 3,000,000
(Limitation on guaranteed loans)	(36,900,000)	(36,900,000)	(73,800,000)	(+ 36,900,000)	(+ 36,900,000)
Development of additional new subsidized housing	1,039,000,000	.....	.....	- 1,039,000,000	.....
Housing for the elderly	(645,000,000)	.....	.....	(- 645,000,000)	.....
Housing for the disabled	(194,000,000)	.....	.....	(- 194,000,000)	.....
Indian housing development	(200,000,000)	.....	.....	(- 200,000,000)	.....
Capacity Building for Community Development and Affordable Housing					
National community development initiative (by transfer)	(30,200,000)	.....	.....	(- 30,200,000)	.....
Community Planning and Development					
Housing opportunities for persons with AIDS	171,000,000	204,000,000	204,000,000	+ 33,000,000	.....
Transfer from recaptures	(25,000,000)	.....	.....	(- 25,000,000)	.....

Community development block grants	4,600,000,000	4,600,000,000	4,600,000,000	.....	.....	.....
Emergency appropriations (Public Law 105-18)	250,000,000	.....	.....	.....	-250,000,000	.....
Emergency appropriations, fiscal year 1998 (Public Law 105-18)	250,000,000	.....	.....	.....	-250,000,000	.....
Section 108 loan guarantees:						
(Limitation on guaranteed loans)	(1,500,000,000)	(1,261,000,000)	(1,261,000,000)	(1,261,000,000)	(-239,000,000)	.....
Credit subsidy	31,750,000	29,000,000	29,000,000	29,000,000	-2,750,000	.....
Administrative expenses	675,000	1,000,000	1,000,000	1,000,000	+325,000	.....
Brownfields redevelopment .....	.....	25,000,000	.....	.....	.....	-25,000,000
HOME investment partnerships program	1,400,000,000	1,309,000,000	1,400,000,000	1,400,000,000	.....	+91,000,000
Supportive housing program (rescission) .....	.....	-6,000,000	-6,000,000	-6,000,000	-6,000,000	.....
Shelter plus care (rescission) .....	.....	-4,000,000	-4,000,000	-4,000,000	-4,000,000	.....
Homeless assistance grants	823,000,000	823,000,000	823,000,000	823,000,000	.....	.....
Youthbuild .....	.....	30,000,000	30,000,000	.....	.....	-30,000,000
Housing counseling assistance .....	.....	23,000,000	23,000,000	.....	.....	-23,000,000
Empowerment Zones and Enterprise Communities .....	.....	100,000,000	100,000,000	.....	.....	-100,000,000
Total, Selected housing programs (net)	16,003,925,000	23,657,000,000	24,471,000,000	24,471,000,000	+8,467,075,000	+814,000,000
Housing Programs						
Housing for special populations .....	.....	474,000,000	839,000,000	839,000,000	+839,000,000	+365,000,000
Housing for the elderly .....	.....	(300,000,000)	(645,000,000)	(645,000,000)	(+645,000,000)	(+345,000,000)
Housing for the disabled .....	.....	(174,000,000)	(194,000,000)	(194,000,000)	(+194,000,000)	(+20,000,000)
Rental housing assistance:						
Rescission of budget authority, indefinite .....	.....	-125,000,000	-125,000,000	-125,000,000	-125,000,000	.....
(Limitation on annual contract authority, indefinite)	(-2,000,000)	.....	.....	.....	(+2,000,000)	.....
Federal Housing Administration						
FHA—Mutual mortgage insurance program account:						
(Limitation on guaranteed loans)	(110,000,000,000)	(110,000,000,000)	(110,000,000,000)	(110,000,000,000)	.....	.....
(Limitation on direct loans)	(200,000,000)	(200,000,000)	(200,000,000)	(200,000,000)	.....	.....
Administrative expenses	350,595,000	333,421,000	333,421,000	333,421,000	-17,174,000	.....
Offsetting receipts	-350,595,000	-333,421,000	-333,421,000	-333,421,000	+17,174,000	.....
FHA—General and special risk program account:						
Program costs	85,000,000	81,000,000	81,000,000	81,000,000	-4,000,000	.....
(Limitation on guaranteed loans)	(17,400,000,000)	(17,400,000,000)	(17,400,000,000)	(17,400,000,000)	.....	.....
(Limitation on direct loans)	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)	.....	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1998—Continued

Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1997 appropriation	Budget estimate
Administrative expenses	207,470,000	222,305,000	222,305,000	+ 14,835,000	.....
Subsidy—multifamily	- 18,000,000	- 18,000,000	- 18,000,000	.....	.....
Subsidy—single family	- 64,000,000	- 64,000,000	- 64,000,000	.....	.....
Subsidy—Title I	- 25,000,000	- 25,000,000	- 25,000,000	.....	.....
Total, Federal Housing Administration	185,470,000	196,305,000	196,305,000	+ 10,835,000	.....
Government National Mortgage Association					
Guarantees of mortgage-backed securities loan guarantee program ac- count:					
(Limitation on guaranteed loans)	(110,000,000,000)	(130,000,000,000)	(130,000,000,000)	(+ 20,000,000,000)	.....
Administrative expenses	9,383,000	9,383,000	9,383,000	.....	.....
Offsetting receipts	- 218,000,000	- 204,000,000	- 204,000,000	+ 14,000,000	.....
Policy Development and Research					
Research and technology	34,000,000	39,000,000	34,000,000	.....	- 5,000,000
Fair Housing and Equal Opportunity					
Fair housing activities	30,000,000	39,000,000	30,000,000	.....	- 9,000,000
Management and Administration					
Salaries and expenses	420,000,000	451,000,000	400,000,000	- 20,000,000	- 51,000,000
(By transfer, limitation on FHA corporate funds)	(546,782,000)	(544,443,000)	(544,443,000)	(- 2,339,000)	.....
(By transfer, GNMA)	(9,383,000)	(9,383,000)	(9,383,000)	.....	.....
(By transfer, Community Planning and Development)	(675,000)	(1,000,000)	(1,000,000)	(+ 325,000)	.....
Total, Salaries and expenses	(976,840,000)	(1,005,826,000)	(954,826,000)	(- 22,014,000)	(- 51,000,000)
Office of Inspector General	36,567,000	36,567,000	36,567,000	.....	.....

(By transfer, limitation on FHA corporate funds)	(11,283,000)	(11,283,000)	(16,283,000)	(+ 5,000,000)	(+ 5,000,000)
(By transfer from Drug Elimination Grants)	(5,000,000)	(10,000,000)	(5,000,000)	.....	(- 5,000,000)
Total, Office of Inspector General	(52,850,000)	(57,850,000)	(57,850,000)	(+ 5,000,000)	.....
Office of federal housing enterprise oversight	15,500,000	16,312,000	15,500,000	.....	- 812,000
Offsetting receipts	- 15,500,000	- 16,312,000	- 15,500,000	.....	+ 812,000
Administrative Provisions					
Six month reissue delay .....	.....	.....	.....	.....	.....
Mark to market legislation .....	.....	.....	- 317,000,000	- 317,000,000	- 317,000,000
Sec. 203—FHA Assignment Reform, 1997	- 128,000,000	.....	.....	+ 128,000,000	.....
Sec. 204—Multifamily property disposition—FHA fund	- 80,000,000	.....	.....	+ 80,000,000	.....
Sec. 210—financing adjustment	464,442	.....	.....	- 464,442	.....
Sec. 212—demonstration	10,000,000	.....	.....	- 10,000,000	.....
Total, administrative provisions	- 197,535,558	.....	- 317,000,000	- 119,464,442	- 317,000,000
Total, title II, Department of Housing and Urban Development (net)	16,303,809,442	24,573,255,000	25,370,255,000	+ 9,066,445,558	+ 797,000,000
Appropriations	(19,453,809,442)	(25,563,255,000)	(25,505,255,000)	(+ 6,051,445,558)	(- 58,000,000)
Rescissions	(- 3,650,000,000)	(- 990,000,000)	(- 135,000,000)	(+ 3,515,000,000)	(+ 855,000,000)
Emergency appropriations	(250,000,000)	.....	.....	(- 250,000,000)	.....
Emergency appropriations, fiscal year 1998	(250,000,000)	.....	.....	(- 250,000,000)	.....
(Limitation on annual contract authority, indefinite)	(- 2,000,000)	.....	.....	(+ 2,000,000)	.....
(Limitation on guaranteed loans)	(238,900,000,000)	(258,661,000,000)	(258,661,000,000)	(+ 19,761,000,000)	.....
(Limitation on corporate funds)	(573,123,000)	(576,109,000)	(576,109,000)	(+ 2,986,000)	.....
TITLE III					
INDEPENDENT AGENCIES					
American Battle Monuments Commission					
Salaries and expenses	22,265,000	23,897,000	23,897,000	+ 1,632,000	.....
Chemical Safety and Hazard Investigations Board					
Salaries and expenses .....	.....	.....	4,000,000	+ 4,000,000	+ 4,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1998—Continued

Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1997 appropriation	Budget estimate
Department of the Treasury					
Community Development Financial Institutions					
Community development financial institutions fund program account	50,000,000	125,000,000	.....	- 50,000,000	- 125,000,000
Consumer Product Safety Commission					
Salaries and expenses	42,500,000	45,000,000	45,000,000	+ 2,500,000	.....
Corporation for National and Community Service					
National and community service programs operating expenses	400,500,000	546,500,000	400,500,000	.....	- 146,000,000
Office of Inspector General	2,000,000	2,500,000	3,000,000	+ 1,000,000	+ 500,000
Total	402,500,000	549,000,000	403,500,000	+ 1,000,000	- 145,500,000
Court of Veterans Appeals					
Salaries and expenses	9,229,000	9,380,000	9,320,000	+ 91,000	- 60,000
Department of Defense—Civil					
Cemeterial Expenses, Army					
Salaries and expenses	11,600,000	11,815,000	11,815,000	+ 215,000	.....
Environmental Protection Agency					
Science and Technology	552,000,000	614,269,400	600,000,000	+ 48,000,000	- 14,269,400
Transfer from Hazardous Substance Superfund	35,000,000	39,755,900	35,000,000	.....	- 4,755,900
Subtotal, Science and Technology	587,000,000	654,025,300	635,000,000	+ 48,000,000	- 19,025,300
Environmental Programs and Management	1,752,221,000	1,887,590,900	1,801,000,000	+ 48,779,000	- 86,590,900
Office of Inspector General	28,500,000	28,500,000	28,500,000	.....	.....
Transfer from Hazardous Substance Superfund	11,000,000	11,641,300	11,641,000	+ 641,000	- 300

Transfer from Leaking Underground Storage Tanks	577,000				- 577,000	
Subtotal, OIG	40,077,000	40,141,300	40,141,000		+ 64,000	- 300
Buildings and facilities	87,220,000	141,420,000	19,420,000		- 67,800,000	- 122,000,000
Hazardous Substance Superfund	1,294,245,000	2,094,245,000	1,300,000,000		+ 5,755,000	- 794,245,000
Delay of obligation	100,000,000		100,000,000			+ 100,000,000
Transfer to Office of Inspector General	- 11,000,000	- 11,641,300	- 11,641,000		- 641,000	+ 300
Transfer to Science and Technology	- 35,000,000	- 39,755,900	- 35,000,000			+ 4,755,900
Subtotal, Hazardous Substance Superfund	1,348,245,000	2,042,847,800	1,353,359,000		+ 5,114,000	- 689,488,800
Leaking Underground Storage Tank Trust Fund	60,000,000	71,210,700	65,000,000		+ 5,000,000	- 6,210,700
Transfer to Office of Inspector General	- 577,000				+ 577,000	
(Limitation on administrative expenses)	(7,000,000)		(7,500,000)		(+ 500,000)	(+ 7,500,000)
Subtotal, LUST	59,423,000	71,210,700	65,000,000		+ 5,577,000	- 6,210,700
Oil spill response	15,000,000	15,000,000				
(Limitation on administrative expenses)	(8,000,000)		(8,500,000)		(+ 500,000)	(+ 8,500,000)
State and Tribal Assistance Grants	2,236,000,000	2,078,000,000	2,322,000,000		+ 86,000,000	+ 244,000,000
Categorical grants	674,207,000	715,257,000	725,000,000		+ 50,793,000	+ 9,743,000
Subtotal, STAG	2,910,207,000	2,793,257,000	3,047,000,000		+ 136,793,000	+ 253,743,000
Total, EPA	6,799,393,000	7,645,493,000	6,975,920,000		+ 176,527,000	- 669,573,000
Executive Office of the President						
Office of Science and Technology Policy	4,932,000	4,932,000	4,932,000			
Council on Environmental Quality and Office of Environmental Quality	2,435,000	3,020,000	2,436,000			
Total	7,368,000	7,952,000	7,368,000			- 584,000
Federal Deposit Insurance Corporation						
Office of Inspector General (transfer)		(34,365,000)	(34,265,000)		(+ 34,265,000)	(- 100,000)
Federal Emergency Management Agency						
Disaster relief	1,320,000,000	320,000,000	320,000,000		- 1,000,000,000	
Emergency appropriations (Public Law 105-18)	3,300,000,000				- 3,300,000,000	
Emergency approp (transfer out) (Public Law 105-18)	(- 20,000,000)				(+ 20,000,000)	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1998—Continued

Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1997 appropriation	Budget estimate
Disaster assistance direct loan program account:					
State share loan	1,385,000	1,495,000	1,495,000	+ 110,000	.....
(Limitation on direct loans)	(25,000,000)	(25,000,000)	(25,000,000)	.....	.....
Administrative expenses	548,000	341,000	341,000	- 207,000	.....
Community disaster loans (by transfer) (emergency)	(20,000,000)	.....	.....	(- 20,000,000)	.....
Salaries and expenses	170,500,000	171,773,000	171,773,000	+ 1,273,000	.....
Office of Inspector General	4,673,000	4,803,000	4,803,000	+ 130,000	.....
Emergency management planning and assistance	218,701,000	202,146,000	202,146,000	- 16,555,000	.....
Emergency food and shelter program	100,000,000	100,000,000	100,000,000	.....	.....
National Flood Insurance Fund (limitation on administrative expenses):					
Salaries and expenses	(20,981,000)	(21,610,000)	(21,610,000)	(+ 629,000)	.....
Flood mitigation	(78,464,000)	(78,464,000)	(78,464,000)	.....	.....
Working capital fund	(16,816,000)	.....	.....	(- 16,816,000)	.....
Administrative provision: REP savings	- 12,251,000	- 12,000,000	- 12,000,000	+ 251,000	.....
Total, Federal Emergency Management Agency	5,103,556,000	788,558,000	788,558,000	- 4,314,998,000	.....
General Services Administration					
Consumer Information Center Fund	2,260,000	2,119,000	2,419,000	+ 159,000	+ 300,000
Department of Health and Human Services					
Office of Consumer Affairs	1,500,000	1,800,000	.....	- 1,500,000	- 1,800,000
National Aeronautics and Space Administration					
Human space flight	5,362,900,000	5,326,500,000	5,326,500,000	- 36,400,000	.....
Science, aeronautics and technology	5,767,100,000	5,642,000,000	5,642,000,000	- 125,100,000	.....
Mission support	2,562,200,000	2,513,200,000	2,513,200,000	- 49,000,000	.....
Office of Inspector General	17,000,000	18,300,000	18,300,000	+ 1,300,000	.....

Administrative provision: Transfer authority	(177,000,000)	.....	(- 177,000,000)	.....
Total, NASA	13,709,200,000	13,500,000,000	13,500,000,000	- 209,200,000
National Credit Union Administration				
Central liquidity facility:				
(Limitation on direct loans)	(600,000,000)	(600,000,000)	(600,000,000)	.....
(Limitation on administrative expenses, corporate funds)	(560,000)	(203,000)	(203,000)	(- 357,000)
Revolving loan program	1,000,000	.....	.....	- 1,000,000
National Science Foundation				
Research and related activities	2,432,000,000	2,514,700,000	2,524,700,000	+ 92,700,000
Major research equipment	80,000,000	85,000,000	85,000,000	+ 5,000,000
Education and human resources	619,000,000	625,500,000	625,500,000	+ 6,500,000
Salaries and expenses	134,310,000	136,950,000	136,950,000	+ 2,640,000
Office of Inspector General	4,690,000	4,850,000	4,850,000	+ 160,000
Total, NSF	3,270,000,000	3,367,000,000	3,377,000,000	+ 107,000,000
Neighborhood Reinvestment Corporation				
Payment to the Neighborhood Reinvestment Corporation	49,900,000	50,000,000	50,000,000	+ 100,000
Selective Service System				
Salaries and expenses	22,930,000	23,919,000	23,413,000	+ 483,000
Total, title III, Independent agencies	29,505,201,000	26,150,933,000	25,222,210,000	- 4,282,991,000
(Limitation on administrative expenses)	(114,445,000)	(100,074,000)	(116,074,000)	(+ 1,629,000)
(Limitation on direct loans)	(625,000,000)	(625,000,000)	(625,000,000)	.....
(Limitation on corporate funds)	(560,000)	(203,000)	(203,000)	(- 357,000)
Grand total (net)	85,895,503,442	90,940,338,000	90,901,535,000	+ 5,006,031,558
Appropriations	(85,745,503,442)	(91,930,338,000)	(91,036,535,000)	(+ 5,291,031,558)
Rescissions	(- 3,650,000,000)	(- 990,000,000)	(- 135,000,000)	(+ 3,515,000,000)
Emergency appropriations (net)	(3,550,000,000)	.....	.....	(- 3,550,000,000)
(By transfer)	(82,170,564,442)	(90,974,764,000)	(90,935,861,000)	(+ 8,765,296,558)
(Limitation on administrative expenses)	(114,445,000)	(100,074,000)	(116,074,000)	(+ 1,629,000)
(Limitation on annual contract authority, indefinite)	(- 2,000,000)	.....	.....	(+ 2,000,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1998—Continued

Item	1997 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1997 appropriation	Budget estimate
(Limitation on direct loans)	(985,095,000)	(984,551,000)	(1,021,451,000)	(+ 36,356,000)	(+ 36,900,000)
(Limitation on guaranteed loans)	(238,900,000,000)	(258,661,000,000)	(258,661,000,000)	(+ 19,761,000,000)	.....
(Limitation on corporate funds)	(573,683,000)	(576,312,000)	(576,312,000)	(+ 2,629,000)

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